

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

June 29, 2018

The Sabine County Hospital District Board of Directors met for a Special Meeting on June 29, 2018 at 10:00 AM in the Sabine County Hospital Board Room.

Present

Tiffani Bradberry, President
Byron Starr, Vice President
Joe McNaughten, Secretary
Earl Willis, Board Member
Pennie, Ferguson, Board Member
Chloe Schafer, EMS Administrator

Others Present

Jacy Daugherty, Administrative Assistant
Jerry Howell, Sabine County Hospital Administrator
Judge Daryl Melton, Sabine County Judge

- I. Ms. Bradberry called the meeting to order at 10:00 a.m.
- II. Mr. McNaughten opened the meeting in prayer.
- III. Public Comments: Judge Melton stated that he wanted to give an update on a grant that The County applied for on behalf of Sabine County Hospital District. Judge Melton stated that the process is actually moving a little faster than they thought it would. Judge Melton stated that it is a 50/50 grant for equipment for the hospital. Judge Melton stated that the Sabine County Hospital District would not be out any money. Judge Melton asked Mr. Howell to explain. Mr. Howell stated that, a few years ago, Sabine County Hospital District bought a CT machine. Mr. Howell stated that there are several elements in requirements and regulation that have changed. Mr. Howell stated that, in addition, with the current CT machine, Preferred pays an annual service contract of \$71,000. Mr. Howell stated that the reason they pay that is the last time the tube went out, Preferred was out around \$140,000 to replace it. Mr. Howell stated that the total cost for the new machine and construction would be around \$300,000 with Preferred paying half and the grant paying half. Mr. Howell stated that the new CT machine would be Sabine County Hospital District property. Judge Melton stated that Sabine County is the grant administrator and the ownership of the new CT machine would be transferred from Sabine County to Sabine County Hospital District. Mr. Howell stated that the current CT machine does have some value and that money would go to Sabine County Hospital District. Judge Melton stated that usually when you apply for these grants it is a year or

more before you see them happen but this one is moving at a lot faster rate. Judge Melton stated that they received notice this week that once all the paperwork is in it will be scored and they will proceed to send out the grants. Judge Melton stated that Sabine County's grant writer will be looking for more grants available to Sabine County Hospital District. Judge Melton stated that even if The County can't use the grants, they want to help other entities in the county and help the community. Ms. Ferguson stated that she would like to remind everyone that she has had Sabine County Hospital District working together with other people in the community on the agenda since she has been on the board. Ms. Ferguson stated that that agenda item seemed to cause contention at the time but that this is what she has been talking about. Judge Melton stated that this is a grant that comes up every year. Judge Melton stated that this year they have changed the criteria on it and it doesn't apply to Sabine County EMS but maybe a grant would come up that would benefit Sabine County EMS. Judge Melton stated that David Waxman is the grant writer Sabine County uses, and they don't pay anything for his services. Judge Melton stated that is David Waxman gets a grant for Sabine County he is paid back through the grant. Judge Melton stated that it takes every entity in Sabine County to make Sabine County work. Judge Melton stated that they work hard to get people to invest in the community, and the medical aspect of the community is a very important part in that. Judge Melton stated that it is important that Sabine County and Sabine County Hospital District keep their relationship open and friendly.

Mr. Howell stated that Dr. Eric Blacher will begin practice in the Sabine Clinic the coming Thursday. Mr. Howell stated that that gives them 3 physicians and 3 PAs.

- IV. Ms. Bradberry stated that the purpose of this meeting is to discuss the 1115 Waiver Project IGT Transfer. Mr. Howell stated that Preferred Hospital Leasing is requested \$296,000 and that corresponds with the amount due through the end of May. Mr. Howell stated that he specifically spoke with Diane Powell about the amount. Mr. Howell stated that Ms. Powell said she would not oppose this amount. Ms. Daugherty stated that Sabine County Hospital District would not be able to meet that amount. Ms. Daugherty stated that the balance in Sabine County Hospital District's checking account as of this morning with all the checks that are out including the ones that have not cleared was \$323,494.84. Ms. Daugherty stated that payroll next week and the total with payroll taxes would be roughly \$43,000. Ms. Bradberry asked why Ms. Powell was not at this meeting. Ms. Daugherty stated that Ms. Powell was taking time off and would be back on Monday. Ms. Bradberry asked when Ms. Powell decided to take time off. Ms. Schafer stated Monday night or Tuesday. Mr. Starr stated that he knew Ms. Powell was off and meant to tell the other board members. Ms. Bradberry asked if Ms. Powell had been off all week. Mr. Starr replied that Ms. Powell worked Monday and Tuesday. Mr. Howell inquired about the CD's. Ms. Daugherty replied that that total was just the checking account. Mr. Willis clarified that the checking account balance was roughly \$323,000, Preferred asked for \$296,000, and the reason the board couldn't approve that is because there won't be enough money left to make payroll. Ms. Daugherty stated that after payroll, the account balance would be around \$280,000. Ms. Daugherty stated that in the next two weeks, the Emergicon income of about \$50,000 and the property tax income of about \$17,000 would be coming in. Ms. Daugherty stated that they would also be receiving a lease payment in

the next week that would be \$53,500. Mr. Howell stated that the lease payment was rushed and asked if it has been received yet. Ms. Daugherty replied that she would have to check. Mr. Howell asked what if they went to \$221,000. Mr. Howell stated that he has been basing all of his conversations to those that he responds to off of the conversation he had with Ms. Powell on Monday. Mr. Howell stated that in the past, they would have added the month of June to the amount. Mr. Howell stated that it is frustrating but obviously Sabine County Hospital District has to pay its employees. Mr. Howell asked if the district could pay if the amount was dropped to \$221,000 which is the difference of one month. Mr. Willis stated that the board decided a long time ago not to touch the CD's. Mr. Howell asked what that would bring the checking account balance to. Ms. Daugherty stated it would be roughly \$101,000 before payroll. Ms. Bradberry stated that after payroll that balance would be around \$60,000 until more revenue was generated. Ms. Daugherty stated that that would be the following week. Ms. Bradberry stated that they don't really have much of a choice and that they are obligated to do it this. Ms. Ferguson agreed that they are obligated to do the right thing by all parties. Ms. Bradberry stated that she knows that does not leave the district with very much money and she thinks every board member knows that they are in trouble financially. Ms. Bradberry stated that, if the board can agree on one thing, they can agree that their finances are very dire. Ms. Bradberry stated that she would like to apologize to everyone in the room that she wasn't able to maintain herself at the meeting on Monday and do what needed to be done for the people that were there and the district. Ms. Bradberry stated that they are all new at this and they will have to grow, hopefully together. Ms. Bradberry stated that she just wants the best for every person that lives in Sabine County. Ms. Bradberry apologized to anybody and everybody that she might have offended or hurt their feelings and for not standing up in that moment and being a leader like she should have been. Ms. Bradberry stated that she regrets it and she apologizes for it. Mr. Starr stated that he would like to apologize for his behavior as well. Ms. Ferguson stated that Ms. Bradberry said it exactly right. Ms. Bradberry stated that the board members have to pull together. Ms. Bradberry stated that this situation is sad and scary, and they have to figure out how to not get back in this place again. Mr. Starr stated that they may end up having to make a lot of hard decisions and they have got to be able to stick together and at least talk about things. Ms. Ferguson agreed and stated that the only reason she is on the board is because she wants Sabine County Hospital District to work. Mr. Willis moved to send up \$221,667. Ms. Bradberry seconded. Motion passed.

- V. Board Member Comments. Mr. McNaughten stated that he thought for all of these years that everything was fine and asked why all of a sudden Sabine County Hospital District has a shortage of money. Ms. Bradberry stated that that is a good question and one that they all wanted to know the answer to. Ms. Ferguson asked how a single board member could not have known that there is a breakdown and she doesn't even know what that breakdown is. Ms. Ferguson stated that she is not blaming anyone, but that it has to stop.

Ms. Bradberry told Mr. McNaughten that on the previous Thursday Byron and herself received a text message asking them to come to the district office. Ms. Bradberry stated that Ms. Powell told them that the district does not have the money to pay the IGT transfer. Ms. Bradberry stated that they knew there were issues and that they all, at

different times, had talked about it. Ms. Bradberry stated that it was on the agenda to talk about it on Monday, but that they did not realize that they had an obligation to meet before then that they were not going to be able to meet. Ms. Bradberry stated that because of the fear and panic, it turned into a circus and it is unfortunate. Ms. Bradberry stated that the money is just not there. Ms. Bradberry stated that there has just been a lot of bad decisions. Mr. McNaughten stated that Ms. Powell is the one he has always depended on to get his information from and he has confidence in her and wishes she was there to explain some of this.

Mr. Willis stated that he had a long conversation with Ms. Powell about how they got to where they are and why. Ms. Ferguson stated that she does not know where the breakdown is. Mr. Willis stated that there are three different things they use for their budget. Mr. Willis stated that they have plenty of money around the first of the year and the board normally says they will use that through the balance of the year and about the time that runs out they will receive more. Mr. Willis stated that his discussion with Ms. Powell centered around that particular point because the price of everything is going up. Mr. Willis stated that there are some things that they cannot do without and 1115 is one of them. Mr. Willis stated that they cannot do without paying the people who work for them. Mr. Willis stated that there is a certain amount of money they need to keep in their account for emergencies and this is a very good thing to talk about. Mr. Willis stated that they haven't been matching their budget with their incoming funds and he was a big part of that because he was looking for ways to have money to help the board. Mr. Willis stated that he did a five-year plan and he found out that the board has trouble. Mr. Willis stated that they are not going to shut down. Ms. Ferguson stated that they are going to fix this to the best of their ability because that is what they signed up for. Mr. Willis stated that he would be passing out his five-year plan when they have a budget workshop. Mr. Willis stated that the biggest problem is that the income isn't matching up. Ms. Bradberry asked who is responsible for generating those reports. Mr. Willis stated that this one is his but normally they would have an audit. Mr. Willis stated that they have not done an audit in the last 3 years. Ms. Bradberry stated that they can't afford to not do an audit because she does not want to take responsibility for any taxpayer money that may not be right. Ms. Bradberry stated that she's not sure if they can even be talking about this. Ms. Ferguson replied that they can't decide anything but that they are in board member comments and can talk about whatever they want to. Mr. Howell stated that the creating statute that created this district requires an audit every year and that the audit be forwarded to the state comptroller. Ms. Ferguson stated that she did see that paperwork and meant to bring it today.

Ms. Bradberry asked how the agenda is usually sent out to the board members. Ms. Daugherty replied that she would normally send it to each board member but forgot to after calling each board member about the meeting on Tuesday.

Mr. Howell stated that, on the topic of community cooperation, since he has been at Sabine County Hospital and before, there has been a wall between the overall board and Preferred and it inhibits them. Mr. Howell stated that there are big things that they need to spend money on, but the atmosphere has been such that it is hard for Andy Freeman to

make those decisions. Mr. Howell stated that one of the decisions that is on the table now was an EMR system that they need badly but will cost over \$1 million. Mr. Howell stated that the more cooperation there is between the board and Preferred, the better each group can help the other. Mr. Howell stated that although Mr. Freeman has been successful, he is not driven to just make another dollar. Mr. Howell stated that is not how Preferred operates their hospitals and not how they treat their staff. Mr. Howell stated that he hopes the relationship between Preferred and the district runs smoothly, and if there is a problem, they are able to talk about it, address it, and move forward. Mr. McNaughten stated that he thought that was the way it always had been. Mr. Howell stated that he doesn't doubt that that was the way it was for Mr. McNaughten, but there has been a cloud that has inhibited Preferred and the board from moving forward on some things that could have been useful and beneficial.

Mr. Willis stated that when the board members took the oath of office to sit on this board, they automatically became responsible for the cash flow of this county. Mr. Willis stated that they all have the same responsibility, and they really need to have a budget workshop.

Mr. Howell stated that on the agenda it was set to cancel the reservation to the THT conference. Mr. Howell stated that it is possible and Preferred generally reimburses the district for any expense. Mr. Howell stated that if the board would like he can follow up. Mr. Starr stated that he would have to be sure because, with the district being in trouble financially, he doesn't think it is appropriate for them to pay for basically a vacation. Mr. Howell stated that, if the board wants him to find out, he thinks that Mr. Freeman might offset the expense of attending that conference. Mr. Willis stated that this particular conference is very important for new board members. Ms. Bradberry stated that if they can't afford to go then they can't afford to go. Ms. Bradberry stated that they can get training online. Ms. Bradberry stated that if Preferred wants to help them to go, he can pursue that, but the district can't afford it. Ms. Ferguson stated that if the board goes to a conference, nobody who is paying for it, it is going to appear like the district paid for a vacation to the community. Ms. Bradberry stated that it is board member training and that the board needs it, obviously. Ms. Bradberry stated that when they had the conversation about a shortage of money and cutting costs, that was one of the things they thought they might cut. Mr. Howell stated that he would follow up and find out about Preferred reimbursing the district. Mr. Willis stated that one of the good things about this conference is you get to ask questions and it is continued education. Mr. Willis stated that if Mr. Howell can and the rest of the board wants to, he would say they need to do that. Mr. McNaughten stated that he would need to know for sure before he agrees with it. Ms. Bradberry stated that it was fine for Mr. Howell to talk to Mr. Freeman, and if Mr. Freeman wants to pay it, the board needs the training and it is beneficial for them to attend this conference.

Ms. Bradberry asked if they could talk about when the next meeting should be. Ms. Ferguson stated that they needed to. Mr. Willis and Mr. McNaughten stated they are open for whatever date and time the rest of the board chooses. Ms. Bradberry stated that the next scheduled board meeting is the 23rd of July. Ms. Ferguson stated that they need to be

sure to discuss the budget and what could be cut in the next meeting. Mr. Starr stated that he was leaving for vacation for the first and second week of July. Ms. Bradberry suggested scheduling the meeting the third week of July. Ms. Bradberry stated that if they have the meeting early enough, they will have enough time to add things to the agenda for the following meeting. Ms. Bradberry stated that Mondays are the best day of the week for her. Ms. Ferguson and Mr. Starr agreed on Monday. Ms. Bradberry stated that the meeting would be July 16 at 5:30 pm. Ms. Bradberry asked if they wanted there to just be a simple agenda item about the budget and not have anything to vote on.

Mr. Howell asked when the budget has to be approved. Ms. Daugherty replied September and that they start working on it in August. Mr. Howell asked how many different meetings they have to have for that. Ms. Daugherty stated that there are three public hearings and then a meeting to approve the budget and the tax rate.

VI. Board meeting adjourned at 10:46 a.m.

Tiffani Bradberry, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Director