

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
SWEENY HOSPITAL DISTRICT**

December 10, 2020

Time 13:30

Members Present: P. T. Brunner, President, Mason Nichols, Vice-President
Patti Foster, Secretary; Violet Weeks, Scott Swift
Lisa Leal, Charlie Genella

Others Present: Reese Cook, Bill Hayes - City of Sweeny
Brian Brooks, Sandra Blaine - City Council
Neal Bess, Jr.
Ron Schmidt

By Phone: Jeff Farley, Mayor - City of Sweeny
Dale Lemon, Past Mayor - City of Sweeny
John Mills, JTM Architects
Scott LaTulipe, Milestone
Rod Shoemaker, SSR

Employees Present: Kelly Park, Cindy Burge, Paige Townsend, Stuart Butler, Dana Quintanilla,
Sarah Hebert (By Phone)Noralene Corder

1. **Call to Order** Mr. Brunner called the meeting to order at 1336.

2. The invocation was given by Mr. Nichols.

3. **Record Members Present and Establish A Quorum**
There being 7 members present, a quorum was established.

4. **Public Comments**

A. Neal Bess, Jr – He commented this is the first time his 71 years, 50 years of serving the community, that he has attended a Sweeny Community Hospital board meeting.

5. **New Business**

A. **Receive Report from Sweeny City Manager Regarding Utilities for New Hospital**

Mr. Brunner announced we have John Mills, Scott LaTulipe, Rod Shoemaker and Dale Lemon, past Mayor on the phone. He proceeded to the next order of business, receive report from City Manager, Reese Cook.

Mr. Nichols said Mr. Lemon is on the phone and missed public comments. He informed Mr. Lemon that public comments had just concluded, and he asked if he had a public comment before we proceeded.

Dale Lemon – He commented he didn't know what was said earlier but said he wanted to have good communication. Sweeny is a good place to be and be a part of, and we are a city with pride. No matter what hurdle we come across, we have the greatest and brightest minds on every group, board and organization. With all of us working together, we should be able to overcome any issue or situation that we run into. He said, when he was on the city council, everything was transparent and discussed. He understands they are going to have to overcome and get to the point that the hospital, the school and the city can continue

forward and develop the city. He said that is all he has and will listen to comments going forward.

Reese Cook gave a timeline of the following dates:

- Prior to May 2019, there was a verbal agreement between former Mayor Dale Lemon, PT Brunner and former City Manager Cindy King. Hospital would pay for the infrastructure and city would pay the hospital back once the hospital was annexed into the city.
- May 2019, annexation laws changed. Prior to that date, properties could be annexed without consent of the owner. With the change in the law, property being annexed has to come by request of the property owner to city council to get annexed. Property must be adjacent to the borders of the city. Since the law changed, we are under a different premise to annex the hospital.
- 5/20/2019 -City Council Meeting Agenda – Discuss/take action on New Hospital water capacity and sewer capacity needs - Minutes stated: Discussed water and sewer capacities of the city. The water plant, as of now, averages 500,000 gallons with a max of 832,000 gallons with 24 hours. The sewer plant, as of now averages 700,000 gallons a day. Low end capacity would be at 150,000 and medium capacity is at 400,000 gallons. We would be permitted for 975,000 gallons. We would be able to handle the capacity of a new proposed facility. No Action Needed.

Mr. Cook said that is an accurate statement regarding the capacity of 975,000 gallons a day. However, state law does require for the city or owner of the sewer plant to look at upgrading the system if you have 3 consecutive months that average over 75 percent of capacity.

Mr. Brunner said let's take a step back. We have a lot of new people here today and did not prepare them at the beginning of the meeting of what could be said in public comments.

Public Comments

Past Mayor Dale Lemon – He said the board of the hospital got with the city in 2017 to discuss the prospects and opportunities they had and what they wanted to do moving forward with the new hospital. There was no agreement made with Cindy King or PT Brunner. It was all discussed with Cindy King and the city council. Everything was transparent, and they said the city could never provide infrastructure out to the property. The only thing the city did was look at the water usage and what they could do. He said when everyone talks about this, they need to make sure the information is correct before they say it. He wants to make sure they don't connect his name on information that was not accurate.

Neal Bess, Jr. – Several dates and scenarios were given regarding the city water and sewer plant. 12/20/2016, 7/8/2018, 10/15/2019, 11/18/2020, He commented 10/15/2016 a \$850,000 grant was received from Brazoria County for the Industrial Park improvements, and the city water and sewer improvements.

**Receive Report from Sweeny City Manager Regarding Utilities for New Hospital
Continued:**

Mr. Brunner – 10/15/2019 City Council meeting – before we worked on the drawings for the new hospital, it was brought before the city council regarding the utilities. He proceeded to list who attended the meeting. All the numbers were being put together to submit before the project started. When Reese Cook came on as City Manager, Mr. Brunner got with him and showed him the property, where the fire hydrant was and the lift station so he could be familiar with the project. He said, at that time, we were moving forward with the drawings, and there was plenty of room for us to do the project.

Mr. Nichols asked if city council ever took a vote on it. Mr. Brunner said they did not vote but there was a gentlemen's agreement with Cindy King and Dale Lemon. Mr. Nichols said if city council did not vote, there is no agreement. After a couple of statements, Mr. Brunner said he would take care of the meeting and proceeded forward with Mr. Cook.

Reese Cook: Response regarding comments made by Neal Bess, Jr. –

- On the 2017 meeting that was mentioned in public comments, he will follow up on those minutes.
 - Another date mentioned was 7/8/2018 which would be a Friday, and to his knowledge they don't meet on a Friday, but he will look at that date.
 - 11/18/2020 which was a Wednesday, but should have been noted as 11/17/2020.
 - 12/20/16 minutes from city council for repairs did not mention anything about the hospital project.
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- 3/19/20 – He had a phone conversation with Ed Bess, Jr and Rod Shoemaker of SSR about the annexation laws, options for connecting utilities at the front or back of hospital, options for the hospital connecting their own water well on the property and the need for emergency generators source of connection with natural gas or butane.
 - Overview was given on dates of email correspondence between city and SSR 4/8/20, 4/9/20, 4/13/20, 4/12/20, 5/19/20, and 5/20/20.
 - 6/12/20 – Meeting was held between the project team and the city.
 - 11/3/20 – Fire Marshall had not received anything from project team.
 - 11/9/20 – call with PT Brunner
 - 11/17/20 – City Council meeting – action item suspended due to no representation from hospital attending. (Mr. Brunner was out of town)
 - 12/1/20 – Special City Council Meeting with Hospital and project team attending
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- 1) No official action taken to provide utilities to the hospital.
 - 2) Regarding capacity, could the city take on the load for providing utilities to the hospital. Rod Shoemaker of SSR did provide numbers for review.

Briefly discussed was the new annexations laws and how it affects the hospital and Mr. Brooks' property. Mr. Brooks said the city annexed his home prior to the new law in 2019. He does not want to be annexed on his property and plans to have it reversed.

Mr. Brunner suggested that the hospital pay taxes on the 1000-foot frontage of Mr. Brooks property to be annexed so the hospital could have adjacent access to be able to be annexed. Mr. Brunner had not spoken with Mr. Brooks prior to this meeting with that request.

Briefly discussed was the rates that are charged by the city to residents and businesses for water and sewer inside and outside of city limits.

Mr. Nichols asked if customers outside the city limit pay a higher rate. Mr. Reese responded yes.

Mr. Cook said the municipality has to have fair rates and make sure all are equivalent and can't give preferential treatment.

Ms. Park asked does the hospital have to be annexed to receive utilities from the city. Response was no.

She commented our attorney said our hospital district can not fund with taxes from our tax payers to the city for the infrastructure. She said she could put a lift station on the one property and run a pipe to connect it to the cities station. She can not do anything else. Whatever she spends the taxpayer money on has to only support the hospital.

Mr. Cook said the water is not the problem. The sewer lift station is the concern to have enough capacity to take care of it. He will have to check the numbers that are submitted from the project team first to make a determination. He commented that the city council will make the final decision.

Mr. Brunner said the final numbers will go to City Council prior to the January City Council meeting. Jeff Farley said the meeting is the third Tuesday in January.

B. Replacement Hospital Update

Mr. Brunner said everything is on hold for now until we get the numbers and see what can be done. Mr. Nichols said we need to cancel all work and only do what is necessary until we get an answer from the city. He does not want to waste tax payor dollars unnecessarily.

John Mills does have a meeting set up to review the numbers that will go to the city. Mr. Mills said that meeting is set for Monday at 3:00 p.m.

If it is a board meeting, the meeting has to be posted. Monday will not work. After discussion, decision was made to schedule it for Thursday 12/17 at 3:00 p.m.

Ms. Weeks said if the city does not want us to build out there, we need to consider building in place here. It was briefly discussed. Mr. Brunner said a lot of work has been done, and he hates to start all over again.

Mr. Nichols said it is not our decision at this point. We can't get locked into one thing. We have to be frugal. The whole board has not voted on the full price of this project yet.

C. Discuss Board Officer Positions and take action if needed

Mr. Brunner said Mason are you going to address this. He said he did not even receive an email of this, and he did not get an agenda. Ms. Burge said the agenda was sent out by email to the full board. Mr. Brunner asked if it was sent to his Hotmail address. She

responded she would check. Mr. Brunner said his hospital email has been closed for months on his phone. She responded she would make sure emails go to the personal email address.

Mr. Nichols said since you said I can address this, he said he would address it. Mr. Nichols made a motion to remove Mr. Brunner from the office as President. The reason being is not a personal attack. Ms. Foster and he visited with Mr. Brunner on Sunday evening and was not blindsiding him with this to be fair. There have been some issues that he has been seeing that is unbecoming as a Board President. During the public meeting the other night with the city council, Mr. Brunner made some very derogatory comments about our campus and facility. The statements were unproved but an opinion verses the fact. Mr. Nichols said by doing that in a public forum Mr. Brunner damaged our reputation. He said from that point on when the city council was not making motion to approve the things, it kind of went into a press session. Mr. Brunner had said we were going to build out on the highway and was getting money from Kittie Nash, stuff like that came out. That had never been discussed with the full hospital board. That is a concern to Mr. Nichols. He said he knows that Mr. Brunner is very passionate about the hospital build and has spent a lot of time on it. Back in the summer the Executive Committee asked to be addressed about anything going on about every aspect of the build so it could go to the full board. Mr. Nichols said he doesn't believe we have been involved in that and even as of last Friday, Mr. Brunner had a meeting scheduled last Friday with Milestone regarding a person that could be potentially joining Milestone. Mr. Brunner said she was already with Milestone. Mr. Nichols said he nor Ms. Foster was invited and had not briefed them on it. They continued to discuss instances that they were not included on emails that they should have been on. There is a lack of transparency between Mr. Brunner and the communication with the rest of the board. He proceeded to tell Mr. Brunner that he is not the CEO and the entire board in one package. We only operate as a group and that is why he requested to remove Mr. Brunner as Board President. Scott Swift seconded the motion to remove Mr. Brunner from office as President.

Mr. Brunner said he was wrong in what he said at the city council meeting. He said he understands, and he made a mistake about saying things about the campus. He proceeded to say some things in the hospital are not up to code. He also brought up that he was not receiving emails due to it going to his hospital email address. He said he pretty much has everyone sending emails to his Hotmail address that he gets on his phone. He said he could not get the hospital emails on his phone. He said his problem with the email could be why Mr. Nichols and Ms. Foster were not copied on the emails. Mr. Nichols said the emails were from the Hotmail address but they were not copied on them. Mr. Nichols said the point is Mr. Brunner is not being transparent with them. Mr. Brunner said he does not do anything without the board knowing about it. He said he does not make any decisions without the board.

Mr. LaTulipe gave an explanation regarding the meeting for last Friday with Milestone. Mr. Nichols also brought up the meeting Mr. Brunner has with Noralene about the financials and why does he go outside of Finance Committee, and commented that Mr. Brunner is not the CEO. Mr. Brunner said he has been in that role a couple of different times and helped with a lot of stuff. Mr. Nichols said to Mr. Brunner that he does not

have the authority to do that. He also brought up emails with Deborah Whitley. Mr. Brunner said that is about Medicare reimbursement rate. He said there is no ill intent in getting this information.

Ms. Leal commented that Kelly Park is included in every email with Mr. Brunner. She is not aware of the protocol put in place, but Kelly Park is the CEO. She commented that Ms. Park had been getting all of the emails with Mr. Brunner.

Mr. Nichols said Mr. Brunner was given the direction to include the Executive Team in the emails back in late summer.

Mr. Brunner said when Mr. Barnes left, he and Sherri Pierce ran the hospital from late summer until December. He was out here every day helping Ms. Pierce run the hospital. He got really in the weeds. When Scott Briner came on, Mr. Brunner stayed on for several months, and quite a few hours. He said Mr. Briner continued to even bounce things off him until he left on August 1st last year. When Ms. Park came on, he worked side by side running the hospital just like he did with Ms. Pierce. He said he worked at least 30 to 40 hours a week and sometimes more. He helped her with insurance and everything else. Mr. Swift asked, did she have the departments to support her in that. Mr. Brunner said instead of hiring an interim, he came to help out. He said he had been through it before. Mr. Brunner said every email he gets, Ms. Parks gets. Mr. Swift questioned should Mr. Brunner be getting all the emails that she gets. Mr. Brunner said he has been phasing out of a lot of the daily stuff and is not up here as much as he used to be.

Mr. Swift said according to the trustee guide, it is not the place of the Board President to be involved in the daily activities or operations, and that is why we are in the situation right now.

Mr. Brunner said, you have to realize during the design development and all that stuff, every design development meeting for three different times, he has been through all those meetings and has missed very few between the three CEO's. People still get upset when he tries to cut here and there.

Ms. Leal said she wanted to answer the question how we got to this. She said it was a transition, we went through a CEO that was very rough. There was no cross training from that CEO to the new CEO. Mr. Brunner was acting CEO for a long time. She respects everyone and question on how we got to here. She thinks in the transition of acting CEO, she said Kelly was just you know, (made sign of over her head) and it was rough and a little abruptly, in many ways Mr. Brunner was the bridge to keep things going. She said maybe again, it ran a little too far, but maybe we allowed it by not checking it. She inquired if the board gave Mr. Brunner authorization to run a lot of the new hospital stuff. She thinks we did. Mr. Nichols said we are not talking about this and how he did things in the past. He said Mr. Brunner has been a great asset. Mr. Nichols is talking about transparency from late summer on and what he did the other night in front of the city council.

Mr. Brunner said when Scott Briner was here, he wanted to move the hospital on highway 35. Mr. Brunner said there is no way we would move the hospital on highway 35. He said Kittie Nash also said they would help us build the new hospital if we built it closer to West Columbia. They continued to rebuttal back and forth about what was said in the meeting at city council.

Ms. Leal said we need to be united. Mr. Nichols said Mr. Brunner is not flexible in options for the new hospital. He commented that Mr. Brunner said it has to be out there or nowhere. Mr. Brunner said he did not say that.

Mr. Nichols said we have two motions on the table.

Mr. Brunner said to Mr. Nichols, in these meetings you bully the ladies, you get louder and louder. Ms. Weeks said she felt bullied sometimes and Ms. Leal agreed. Mr. Nichols apologized. Mr. Brunner said you can't bully in these meetings.

Jeff Farley asked to speak. With Mr. Brunner's permission, he said from a city's standpoint, you did come across in a very unprofessional manner. In the past week it has disgusted me from a city's standpoint. He said he has had citizens call him and tell him things that Mr. Brunner has been doing behind the scenes, getting with Neal Bess trying to get information and stirring up things. The only thing the city told the hospital was we had to take it off the table because we did not have concrete numbers. He said he assumes Mr. Brunner took that as a no. He said he has heard things that Mr. Brunner said about him personally that really disgusts him. He feels like from a Sweeny standpoint, Mr. Brunner ruined relationships with council members, himself and hinder any relationship that we would want to have with the hospital. With Mr. Brunner as President, it will make it a lot more difficult to go forward in his opinion.

Mr. Brunner said it was not the proper thing to say in the city council meeting. A lot of this started when the price tag of the hospital build hit 65 million, and he commented that Mr. Nichols has been campaigning against the hospital since then. He continued to repeat the things he had said in the city council meeting.

Briefly discussed was the statement Mr. Brunner said regarding the state shutting the hospital down. Mr. Swift asked if there was a life safety issue, would it take CMS to define that. Ms. Park said, she knows what to do and she knows the CMS guidelines. Mr. Swift asked if we have suspicion that the state is going to find something that is critical. Ms. Park said the only thing they would find is going to be the plumbing in this building and there are no fire sprinklers. That is where we say we are grandfathered in. If they request that we fix it then we would have to fix it.

Ms. Foster said she has another meeting that she has to attend and is very concerned about Jeff Farley's comment and about people being called. She feels like that cost the hospital its reputation. She commented Mr. Brunner did not have any ill intent but from that city council meeting forward she thinks we have had problems. There is problems with comments in the community and concerned about the reputation of the new hospital wherever it is going to be. We don't know what is going to happen. She thinks we need to work toward repairing what happened with the city council. Whatever happened and

whatever was said, we can not take it back. She commented it does not have anything to do with Mr. Brunner personally, but it has to do with we have to move forward with a good reputation with the city. Making threats and going rogue in a meeting can not happen. You have to stay on point and talk about what is important and leave your opinions to yourself. She said when Mr. Brunner talked at that meeting that night everybody there thought he was representing the board. Mr. Brunner said he made a mistake, and he apologized.

Ms. Leal said Mr. Brunner has apologized and accepted that. She said she thinks firmly in absolution. There is not one person on this board in this room that has said things at times that they don't regret, and they apologize for and they move forward from. She said we need to contemplate what is at hand and it is the hospital. Mr. Brunner has apologized. There is no one that knows the history of the hospital better than Mr. Brunner. For that reason, it is in the best interest for the hospital and the community that he stay in that position.

Ms. Weeks commented she thinks that Lisa Leal is right on that, but with the understanding that Mr. Brunner pulls out of making the daily calls unless he is with Ms. Park. She commented if something does come up, Ms. Park would have Mr. Brunner available.

Mr. Nichols said he already made a motion to remove Mr. Brunner as President.

Mr. Brunner said we have a motion, and a second. Four were in favor, motion carried.

Comment directed to Mr. Brunner, appreciate you serving on the board. Mr. Brunner said he's had a wonderful time. Mr. Nichols asked Mr. Brunner if he was offering his resignation. Mr. Brunner said you got it.

Mr. Nichols made a motion to accept Mr. Brunner's resignation. Mr. Swift seconded, motion passed.

Mr. Swift made a motion to nominate Mr. Nichols as President. Ms. Foster seconded, four to one, motion passed.

Mr. Nichols made a motion to nominate Mr. Swift as Vice President. Mr. Genella seconded, four to one, motion passed.

Mr. Nichols made a motion for Ms. Foster to remain as secretary. Mr. Swift seconded, unanimous decision, motion passed.

Mr. Butler said he just found out that Mr. Brunner was not using his hospital email account. This is the exact reason why the board members were given a hospital email account, and we should really be using them. Now as Mr. Brunner vacated, he made it very clear that he uses his Hotmail account. If he would have been using his hospital email account, we would switch them over and would give Mr. Nichols access. Ms. Burge stated that none of them have a hospital email account but Mr. Brunner.

Mr. Nichols said what bothers him is the transparency and un-transparency, but he said he is not in the room so he is not saying anymore about that. He has provided great services to this hospital for many years. It is unfortunate that it winds up he quit his position. Going forward Ms. Park is CEO, Mr. Nichols said he is not the Co-CEO. He stated his only job is to continue to share information with the whole board. He said he will not be involved in the daily hospital business. That is why we have this wonderful team sitting in this room to take care of this. He said he is all about transparency. We do have some jobs coming up about the new hospital. We have to wait and see what the city decides. Whichever way it goes, we are going to sit down as a team and get our heads together, whether we get active out there or if we have to go a different direction, but we are going to do it together. No decisions will be made alone, but with the board as a whole.

Ms. Park said she learned a lot from Mr. Brunner. He did come in, in the interim and he was amazing. She commented she came in as CNO and three months later she was put in the interim CEO position. He was very good. She commented in the last year she could do it. She commented that her team has been in healthcare for many years and worked in different areas of the hospital. She has a great team.

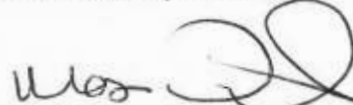
Mr. Weeks commented as far as Ms. Park being an inexperienced CEO, she has been in the trenches and knows where we can cut money. She is doing great. Mr. Nichols said Mr. Briner also did a great job here and it was unfortunate how it wended up.

6. **CLOSED EXECUTIVE SESSION:** None

8. **Adjournment**

Mr. Swift moved for adjournment, seconded by Ms. Weeks. Meeting adjourned at 1604.

____ Resigned _____
P. T. Brunner, President



Mason Nichols, President

Recorder: Cindy Burge