

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

January 11, 2022

Time 18:00

Members Present: Mason Nichols, President; Scott Swift, Vice President; Patti Foster, Secretary
Violet Weeks, Lisa Leal, Charlie Genella, Leeda Wood

Members Absent:

Others Present: Enrique Leal, III, M.D.

Employees Present: Kelly Park, Cindy Burge, Stuart Butler, Dana Quintanilla, Travis Alford, Doug Smith, Jimmy Mashaw

1. **Call to Order** Mr. Nichols called the meeting to order at 1801.

2. The invocation was given by Ms. Wood.

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

4. **Public Comments**
A. None

5. **New Business**
A. Frost Bank

(1) **Consider and take action, if needed, regarding bank loan for new hospital**

Mr. Nichols said the reason we called the special called meeting is the conditions of the loan. As soon as we approved the loan last time, some of the steps were to get a bond counsel that represents both the hospital and Frost Bank. After review of that, the bond counsel had some concerns about the balloon payment. Kelly and her team have gotten together with Frost Bank and have come up with some new terms and financing conditions so they will present them tonight. They had the big meeting yesterday with their team, our lawyer, bond counsel and Frost Bank. Mr. Nichols turned it over to Ms. Park for further explanation.

Ms. Park said our bond counsel is Hoang Vu, and Robert Spurck, our legal counsel, Traci Arellano of Frost bank and hospital team got together in a meeting to discuss the loan. She said when the bond counsel gets ready to send the information to the attorney general, since we a governmental entity, we cannot have a balloon payment. We went back to the drawing board, they gave us what the new terms would be. It is 28 million for 15 years at 3.8 percent interest rate.

Doug Smith distributed information comparing the loan that was approved and the new loan terms. The monthly payment is now different changing from a twenty-year amortization schedule to a 15-year. It is about \$38,000 more a month, or \$451,000 more a year. Mr. Nichols said it would save us about 13 million dollars in interest compared to 40 year loan. Doug said over the life of the loan it will save us 3.2 million dollars.

Mr. Smith projected we should make up that \$451,000. He took last year's net patient revenue, this does not count QIPP, it is only net patient revenue, about 13.9 million. He guarantees we have opportunities there to improve our operations. He said we can improve in our billing and contracting and make sure we capture all the charges. We also have a great tool to monitor our productivity and staff appropriately. He sees no reason we can't make up the \$451,000.

After further discussion, Mr. Swift motioned to approve the updated terms of the Frost Bank loan as presented tonight. Ms. Foster seconded the motion. It was unanimous decision, motion carried.

6. **CLOSED EXECUTIVE SESSION:**

None

8. **Adjournment**

Ms. Wood moved for adjournment, seconded by Mr. Genella. Meeting adjourned at 1822.



Mason Nichols, President
Recorder: Cindy Burge