

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

March 18, 2022

Time 18:00

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

Member by Teams meeting invite: Charlie Genella

Others Present: Zack Moffitt, Tellepsen; Raven Wuebker, The Facts;
Agatha Sanchez, Nanette Lowrie, Ron Schmidt, Keith Howell,
Dillon Warmack, Enrique Leal, III, M.D.

Others by Teams meeting invite: Beau Herr, Guy Cooke, Bobby Rutherford, Lane Thompson,
Terry Hargus, Sam Hopkins

Employees Present: Kelly Park, Cindy Burge, Dana Quintanilla, Travis Alford, April Nichols,
Jessica Rees, Jimmie Mashaw, Tracy White, Kari Schroeter, Brittany Howell,
Debra Bundick, Jasmine Flanagan, Veronica Scott, Melissa Huffman,
Rebecca Wratten, Kelsy Forrester, Sandy McKnight, Hollye Skeen

Employee by Teams meeting invite: Doug Smith

1. **Call to Order** Mr. Nichols called the meeting to order at 1802.
2. The invocation was given by Ms. Foster.
3. **Record Members Present and Establish A Quorum**
There being 6 members present, a quorum was established.

Mr. Genella joined the meeting by Teams invite but cannot vote.

4. **Public Comments**
A. None

5. **Old Business**
A. **Replacement hospital update:**

Ms. Park said she is very excited that we have made it to this point. She said we have been working diligently, the staff, the architects, and construction. There is so much behind the scenes that happens every day and sometimes it is not just work hours but also into the night figuring what is and is not good, if we need to decrease the size, what is good for our community, our patients, and for our staff.

We will be able to offer dialysis as one of the big changes. Right now we transfer out dialysis patients but in the new facility that will be a game changer for this town. We will be able to offer dialysis for inpatients so we will be able to keep them here. We will be able to do a higher level of care.

She gave a PowerPoint presentation regarding the new hospital covering the following:

- Introduction of project team
 - Callison RTKL – Architects
 - Tellepsen – Contractors
 - GKL Health Services – Equipment Company (Wes Lincecum & Julie Moore)
 - Jimmy Mashaw – Project Manager
 - Hospital staff
- Went from a three-story to two-story building to take pressure off of foundation of building which also lowered the cost of the project
- Reviewed drawings of the two-story project and changes made removing the 3rd level
 - Administration Suite, Conference room, billing office, medical records, finance team and marketing relocated to 1st level at the end of building next to physical therapy
 - IT Department and compliance relocated to 2nd level
 - Reviewed the revisions made to the wound care and surgery area
- Breakdown on total spent to date on project \$1,006,082.82
- Furniture DD Budget Analysis \$699,013.25
- Art DD budget analysis \$167,312.25
- Medical equipment budget \$3,876,049
- Estimated cost of project \$42,087,484.49

Ms. Park said we are sitting about 3 million under project cost. She said we want the board to vote for us to continue, let them get the GMP and let's get us a new hospital.

Mr. Nichols said good job for the team for working hard getting under budget. Remember we have another board out there on the Foundation that is working diligently trying to raise funds for this too. Great job for everybody involved.

Question & answer session:

- Ms. Wood - To put the community's mind at ease, will this new building fit on this property. Beau Herr responded that they had walked the site and measured. He said it will fit.

Guy Cooke said they had spent an hour yesterday trying to work through some of those logistics of where you will park and where you will enter the hospital. He said from the original interview it has not changed much. He said you will be entering the front door just outside of the new hospital. We will route you around from the west side and enter a safe barricade that you can come in through the existing front door. Parking will be tight during construction time.

- Mr. Nichols asked how optimistic are you for the contractors going out for maximum guaranteed price (MGP). Guy Cooke responded they are anxious to get to the next level of detail. He said they spent the whole month of January and February taking the schematic design package and putting it out for current contractor pricing. In their world everything had changed after Thanksgiving. We

are all living it, watching it happening with the economy and shortage of materials and are sick of hearing supply chain issues that come up every day. He said they did a lot of work in the last two months to make sure the numbers remain before they started cutting. He said they will be aggressive starting next week to make sure they stick close to or even better than the \$32,000,000 budget.

Mr. Nichols said we have heard from Kelly who did a great presentation, and the staff has been working real hard here. The board had set out with a 45 million max project cost. Everyone has done a great job and we are sitting 3 million to the good, and that is not counting what the foundation board is doing to raise funds for this cause. We need board approval to go forward with Tellepsen to go out for GMP, get a hard bid and hire the contractors and the bank is waiting on this also. We need to finalize the loan. We have the commitment letter for the loan and they are waiting on the GMP. This is logically the next step to have to take place. Lisa Leal asked what is the terminally for this. Ms. Park said we are going out for a GMP.

After further discussion about the GMP, Mr. Nichols asked if anyone would like to entertain a motion. Leeda Wood asked what terminology is needed for the motion. Mr. Nichols said basically accepting this process and approving Kelly Park to continue moving forward and for Tellepsen to move forward to gather GMP. Ms. Wood said so moved. Ms. Weeks seconded the motion. Unanimous decision, motion passed.

6. **CLOSED EXECUTIVE SESSION:** None

7. **Action regarding Executive Session:** None

Public Comment:

Ron Schmidt said he remembers sitting in a meeting about two years ago and the board was talking about a 60-million dollar project over 40 years. He said thinking about compound interest and thinking how much it would cost, and it would be a whole lot more than 60 million dollars. He said he got to looking at a lot of other things and said he needed to do something about this. He said he posted some things about taxes and a bunch of other things, and he said if you took it personally, my apology. He said that was not his intent. He wanted everyone to look at all the taxes in the whole town and county and beyond that. He said tonight we are looking at a 3 million dollars under budget of 45 million with a 15-year payout. That is phenomenal, amazing especially the way the economy is going right now. He said I don't know if people realize what a job you guys have done. This is absolutely unbelievable. Then you take it a step farther, you dig a little deeper and you look at taxes. It is .54 right now and they have a unit that is fixing to come off abatement in about 24 months. That is going to add 100 of millions of dollars into our local property values which is going to take a drop almost .10 off our taxes. Then over a period of about 5 years from today we will see that happen 2 to 3 more times. This means we will see the tax rate drop down between .3 and .4 which is awesome. There have been a lot of changes and hard feelings. There is no reason for hard feelings. There is a lot of positivity sitting at that table right there. He said you guys are doing an awesome , awesome job. Our people need to recognize that. We need to let the nath sayers go do whatever nath sayers do. We need to build up our positive because that is what

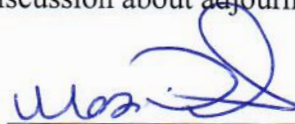
makes Sweeny great. Sweeny cannot survive if we have to deal with nath sayers and negativity. We have to have a positive light and appreciation for all you guys.

Mr. Nichols thanked him for his kind words.

8. Adjournment

Mr. Swift moved for adjournment, seconded by Ms. Wood. Patti Foster had one more comment. Her husband had been here in the hospital since Wednesday. He wanted her to say that the staff here has been awesome. He loves you guys, he would tell her to go home because the staff will take care of him. Everybody treated him like a king, and he very much appreciated it.

Mr. Nichols asked if there was any further discussion about adjournment. There was none. Meeting adjourned at 1846.



Mason Nichols, President
Recorder: Cindy Burge