

Sierra Vista Hospital
Regular/ Annual Joint Powers Commission Minutes
July 29, 2021 @ 2:00pm

Jim Paxon suggested starting three months before the election, holding townhalls featuring representatives from hospitals that are special district hospitals, and move forward.

Kim Skinner thanked all those who worked to get signatures and recognized David Johnson's (SVH attorney) support regarding the move to become a special hospital district.

The next election is November 2022.

7. New Business

A. Election of Officers- Kim Skinner, Chairperson, election of officers is done one position at a time. Kim stated that her term as City Councilor in Elephant Butte expires December 31. She will run again but at this time she recommends either Jim Paxon or Travis Day for Chairperson.

1. Chairperson-

Jim Paxon nominated Travis Day as Chairperson of the JPC. There were no other nominations. Sandra Whitehead seconded. Motion carried unanimously. Kim Skinner turned the meeting over to Travis Day.

2. Vice Chairperson-

Kim Skinner nominated Deb Stubblefield as Vice Chair. There were no other nominations. Sandra Whitehead seconded. Motion carried unanimously.

B. Appointment of Recording Secretary- Kim Skinner stated that Jennifer Burns will be retiring from this appointment. Greg D'Amour stated that he will work with HR and continue to provide a recording secretary for the JPC.

Greg further stated that Sheila Adams, CNO, will be the administrative contact at this time.

Jim Paxon motioned to table the appointment of recording secretary. Sandra Whitehead seconded. Motion carried unanimously.

C. Nondiscrimination Resolution 21-102

English and Spanish

Kim Skinner motioned to approve Nondiscrimination Resolution 21-102. Edna Trager seconded. Motion carried unanimously.

D. Open Meetings Act Resolution 21-103

Kim Skinner motioned to approve Open Meetings Act Resolution 21-103. Sandra Whitehead seconded. Motion carried unanimously.

E. Public Records Request Resolution 21-104

Jim Paxon motioned to approve Public Records Resolution 21-104. Kim Skinner seconded. Motion carried unanimously.

F. Meeting Schedule FY21/22-

Kim Skinner recommended and motioned continuation of quarterly meetings on the third Thursday of the month. Special meetings can be called as needed. Jim Paxon seconded. Motion carried unanimously.

G. Review of JPC Policies-

Kim Skinner motioned to approve the JPC policies. Sandra Whitehead seconded. Motion carried unanimously.

H. June Financial Report- Ming Huang, CFO, on page 30 of the packet (Income statement) gross revenue is \$3,779,340. After deductions we have a net patient revenue of \$2,442,031. With the addition of other and non-operating revenue, we have a total operating revenue of \$3,147,944. Salary expenses were higher in June due to a salary settlement payment. The total operating expense is \$3,005,846.

Total EBITDA (earnings before interest, taxes, depreciation, and amortization) is \$142,098. After subtracting the depreciation expense and gross receipts tax, we have a net loss of (\$271,743) in June.

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Year to date, we have a net income of \$854,922. Legal fees and salary expense had a big impact on June. These were one-time payments.

Jim Paxon motioned to approve the June financial report. Kim Skinner seconded. Motion carried unanimously.

I. Fourth Quarter financial report- Ming Huang, CFO

1. Resolution 21-110

Sandra Whitehead motioned approval of Resolution 21-110. Edna Trager seconded. Motion carried unanimously.

J. Budget Revision/ Variance FY21- Ming Huang, CFO, this revision is for prior year's budget. There were unexpected expenses in salaries, contract services, other operating expenses, and depreciation expenses.

1. Resolution 21-103

Sandra Whitehead motioned to approve Resolution 21-103. Hank Hopkins seconded. Motion carried unanimously.

K. Final Budget FY2022- Ming Huang, CFO, this budget is based on 2019 and 2020 actual as well as 2021 performance. There is not a big change for total patient revenue for 2022 which is projected to be \$49,551,158. We have budgeted a net loss for 2022 of (\$686,528). This is expected due to the higher new building depreciation expense.

Kim Skinner asked if the COVID funds are included in this number. Ming stated that we have not finalized the revenue yet. If that can be finalized in the next couple of months, we will record it in 2021.

1. Resolution 21-104

Jim Paxon motioned to approve Resolution 21-104. Kim Skinner seconded. Motion carried unanimously.

L. Capital Budget 5-year- Ming Huang, CFO, the capital budget for FY22 is \$648,765. For 2023, \$747,509, for 2024, \$216,000, for 2025, \$163,000 and \$220,000 in 2026.

Jim Paxon asked about the money for the tunnel remediation. Ming explained that those monies are not in the capital budget. It is reserved in the amount of \$1 million in unavailable cash.

Jim Paxon motioned to approve the 5-year Capital Budget. Edna Trager seconded. Motion carried unanimously.

M. CEO Report- (Eric Stokes was not at this meeting) Sheila Adams, Interim CEO, gave a short report regarding Quality improvement. This entire program has been revamped and implemented July 1st. All department leaders have received training on quality and process improvement.

For FY21, we had an overall quality score of 91% in patient safety, process improvement and core measures. Risk management was also revised.

Discussion was held regarding current leaders, the current hospital atmosphere and day to day operations.

N. Governing Board Report- Greg D'Amour, Chair, we had a very successful, energizing strategic planning meeting. Quorum did extensive research in putting the meeting together. We looked at what we can do with the old building. Behavioral Health experts were brought in to look at the hospital, the County, and the Southwest part of the State. Kathy Kunkel, former secretary of the Department of Health, has been on site as well as Governor Grisham. The State is eager to help us make this happen.

Quorum continues to provide the internal infrastructure that we need.

Discussion was held regarding the current state of vaccinations and the delta variant. Hospitals are filling up again with COVID patients.

Hank Hopkins stated that we need dialysis here. Greg stated that we have done proformas based on the number of people that go to Las Cruces three times per week. We are keeping this on the

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table. Greg will bring information for the next meeting regarding the services that we have looked at over the last three or four years.

Sandra Whitehead shared her family's dialysis story with the JPC.

Kim and Sandra had a discussion with Governor Grisham regarding this old building and encouraged Administration and Greg to continue contact with the State. Greg reassured the JPC that contact is ongoing.

Booster shots for COVID are not yet suggested by the FDA or the CDC.

Eric Stokes is currently on administrative leave. We have an appropriate management team in place.

8. Adjournment-

The next regular JPC meeting will be on Thursday, October 21, 2021 at 2:00.

Sandra Whitehead motioned to adjourn. Kim Skinner seconded. Motion carried unanimously.

JB 10-28-21

Recording Secretary, Jennifer Burns

Travis Day, JPC Chairperson