

Sierra Vista Hospital
Regular/ Annual Joint Powers Commission Minutes
December 3, 2025 @ 2:00pm

1. The Joint Powers Commission of Sierra Vista Hospital held their regular/ annual meeting on December 3, 2025 at 2:00. Jim Paxon, Chairperson, called the meeting to order at 2:00.

2. **Pledge of Allegiance** Jim Paxon, Chairperson

3. **Roll Call** Jennifer Burns, Recorder

Joint Powers Commission

Attendees: City of T or C

Rolf Hechler, Member, Present
Ingo Hoepfner, Member, Present
Gary Whitehead, City Manager, Ex-O, A

Village of Williamsburg

Deb Stubblefield, Member, Present
Amanda Cardona, VCW, Ex-O, A

Sierra County

Jim Paxon, **Chairperson**, Present
Sandy Jones, Member, Present
Amber Vaughn, County Manager, Ex-O, A

Sierra Vista Hospital

David Faulkner, ICEO, Present
Ming Huang, CFO, Present
Serina Bartoo, GB Chair, Present

There is a quorum of voting members. Jim Paxon stated that this is the initial meeting of the new JPC.

AGENDA ITEMS	PRESENTER	ACTION REQUIRED
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4. Approval of Agenda	Jim Paxon, Chairperson	Action
<u>Deb Stubblefield motioned to approve the agenda. Ingo Hoepfner seconded. Motion carried unanimously.</u>		

5. Approval of Minutes	Jim Paxon, Chairperson	
A. June 19, 2025 Regular Meeting Minutes		Action
B. July 15, 2025 JPA Amendment Committee Minutes (members only)		Action
C. August 21, 2025 No quorum, no meeting		Information
<u>Rolf Hechler motioned to approve the June and July minutes. Deb Stubblefield seconded. Motion carried unanimously.</u>		

6. Public Comment – None

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7. Old Business Jim Paxon, Chairperson Report/Action

A. JPA Final Approved Amendment – Jim Paxon stated that the amendment to the JPA was initiated by the withdrawal of the City of Elephant Butte. It took five months to get it approved by all entities and the NMFA returned it to us, approved within seven to eight working days. The amendment changes the Governing Board from nine members to five. The JPC is now also five members. The five Governing Board members are Greg D’Amour, Cookie Johnson, Serina Bartoo, Bruce Swingle and Jesus Baray. The terms are staggered in two- and three-year terms.

8. New Business Jim Paxon, Chairperson

A. Appointment of JPC representatives

Mr. Jones was appointed Commissioner of Sierra County by the Lieutenant Governor when Travis Day resigned.

B. Appointment of Governing Board Members

Both items A and B are discussed above and no action is required.

C. Election of Officers JPC - Jim Paxon, Chairperson explained that this is usually done in July or August but there was no quorum at the August meeting. Discussion was held regarding changing the bylaws and terms of election. The election term today will be until June 30, 2026.

Rolf Hechler stated that he would like to see Jim Paxon remain the Chairperson.

1. Chairperson

Rolf Hechler motioned to nominate Jim Paxon for Chairperson. Ingo Hoepfner seconded. There were no other nominations. Motion carried unanimously.

2. Vice Chairperson

Ingo Hoepfner nominated Deb Stubblefield for Vice Chairperson. Sandy Jones seconded. There were no other nominations. Motion carried unanimously.

D. Appointment of Recording Secretary

Deb Stubblefield motioned to appoint Jennifer Burns as Recording Secretary. Ingo Hoepfner seconded. There were no other nominations. Motion carried unanimously.

E. Nondiscrimination Resolution 25-105

English and Spanish

Deb Stubblefield motioned to approve Resolution 25-105. Rolf Hechler seconded. Motion carried unanimously.

F. Open Meetings Act Resolution 25-106

Rolf Hechler motioned to approve Resolution 25-106. Deb Stubblefield seconded. Motion carried unanimously.

G. Public Records Request Resolution 25-104

Discussion was held regarding the \$1.00 per page cost for redacted pages. This line will be struck from the resolution. There were questions regarding electronic transmission charges as well. It was suggested that adding section 14-2-9 C. (4) from the IPRA be added to the resolution. This section states “may charge the actual costs associated with transmitting copies of public records by mail, electronic mail or facsimile.”

Rolf Hechler motioned to table Public Records Request Resolution 25-104 for further clarification. Staff is instructed to consult with the AG and or the hospital attorney. Ingo Hoepfner seconded. Motion carried unanimously.

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H. Meeting Schedule FY26

Jim Paxon stated that the JPC has been meeting quarterly on the third Thursday of the month. The next meeting will be held March 19, 2026 at 2:00.

Deb Stubblefield motioned to approve the quarterly, third Thursday schedule. Ingo Hoepfner seconded. Motion carried unanimously.

I. Review of JPC Policies

Discussion was held regarding the recourse for lack of quorum at a meeting. Discussion was held regarding procedure number five of JPC Policy number five, duties and responsibilities. It is Jim Paxon's opinion that acquisition be added related to real property of the hospital. Currently, only to dispose of real property is stated. David Faulkner said that this verbiage comes from the JPA and would require the JPA to be changed. At this time, if the Governing Board wanted to acquire property, the JPC would have to concur with the purchase. At some point, this will need to be addressed in the JPA. JPC Policy number six, under Chairperson duties shall include: Represent the JPC as an ex-officio member of the governing board as new item (d). The remaining items are unchanged.

Deb Stubblefield motioned to approve the JPC policies with the changes noted. Ingo Hoepfner seconded. Motion carried unanimously.

J. FY25 (June) Financials - Ming Huang, CFO, directed board members to page five of the auditors' basic financial statements. From 2024 to 2025 we increased investments from \$5,720,139 to \$11,828,616 due to funds received from the state for the Healthcare Delivery Access Act (HDAA). There is an additional \$5,279,617 under supplemental payments receivable. This is from the same program, but we have not received the funds yet. Overall, total assets increased by \$8,033,730. This is the major change for 2025. The HDAA is a Medicaid program designed for Medicaid reimbursement.

There is not much change in liabilities from 2024 to 2025. We have reserved \$151,000 in estimated third-party payor settlements. Discussion was held regarding where the investment accounts are held and who manages it. HDAA funds can be used for operations; they were created for that. The state gives us the HDAA funds to compensate for low Medicaid reimbursement. None of the funds we have are encumbered with the exception of the \$1.5 million from the legislature for the EMS building. We do not have those funds in the bank. Those are funds that we receive reimbursement from as we use them.

Net revenue for 2025 was \$31,229,096. \$11,843,740 was received in Medicaid supplemental payments and \$72,847 in grants for total operating revenue of \$43,757,299. Total operating expenses were \$40,444,683 for a positive income of \$3,312,616. Under nonoperating revenue, \$2,310,127 is listed as CARES Act Employee Retention Credit. This is from an IRS COVID program from two years ago which also included \$548,822 in additional interest due to the late payment. We received \$1,500,000 from Senate Bill 161 which is a two-year program totaling \$2,700,000. We will receive \$1,200,000 this year from the program.

The change in net position is \$9,029,011 for 2025. In 2024, we had (\$3,426,972). There are no findings in the 2025 audit.

Sandy Jones motioned to approve the FY25 June Financial Audit Report. Deb Stubblefield seconded. Motion carried unanimously.

K. September Finance Report - Ming Huang, CFO, reported gross patient revenue in September was \$5,364,961. After deductions of \$2,508,076, net patient revenue was \$2,857,736. With the addition of other and nonoperating revenue, we have \$3,870,147 in total operating revenue. Total

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expenses were \$2,729,601. EBITDA for September was \$1,140,546. Year to date, EBITDA is \$2,994,356. Total cash on hand at the end of September was \$14,873,676.

Rolf Hechler motioned to approve the September Financial Report. Ingo Hoepfner seconded.

Motion carried unanimously.

L. FY26 Budget - Ming Huang, CFO. Gross patient revenue is budgeted at \$69,713,891 and net patient revenue at \$29,829,945. Total operating revenue is budgeted at \$45,371,098. Total operating expense is \$35,246,269. We expect to have an EBITDA of \$10,124,829 which includes the HDAA money. This is a 22% margin. Further discussion was held regarding HDAA money.

M. CEO Report - David Faulkner, ICEO. In discussing operations, we had surgery here and lost \$1.6 million a year. It would take 556 cases per year to break even and there are not 556 cases in Sierra County. So, we have eliminated surgery.

We have a \$1.5 million grant for EMS and Physical Therapy/ Rehab. Rather than building another building, we moved Physical Therapy/ Rehab into the OR area. This area is now making money on the Medicare cost report. We issued an RFP for the EMS building and selected an architect. To build a 4,000 square foot building onsite would eliminate the employee south parking area and cost over \$2.5 million. We started looking at other options including the building at 1409 N. Date St. The architect has looked at it, and we have had an appraisal done. It appraises at \$307,000. This is 5,000 square foot building. The Governing Board approved submitting an offer of \$307,000 yesterday. We will use the \$1.5 million to remodel and house our EMS and ambulances. This will be a cash purchase for the property.

Jim Paxon opened discussion to concur with the Governing Boards decision to purchase 1409 N. Date St. Discussion was held regarding what needs to be done to the building, the cost savings and wear and tear on the ambulances and the cost of dirt work to put the building on the current hospital grounds. The location is good with easy access to the north and south and the County offices are across the street in the event of a major event or crisis. Overall, the discussion was positive.

1. EMS building – Rolf Hechler motioned to concur with the Governing Boards decision to purchase 1409 N. Date Street for \$307,000. Ingo Hoepfner seconded. Motion carried by majority with Sandy Jones voting no.

Continuing with the CEO report, David Faulkner stated that we are looking at a new CT scanner. Our current machine was put in in 2019, and it was refurbished when we got it. We are currently doing about 400 scans per month. When the CT goes down, we go on divert. There are several options that we'll need to decide on and work out the transition from the old one to the new one.

Memorial is buying our OR equipment for \$140,000. We have gone through the state regs, and this will be completed December 5th.

We received a letter from Elephant Butte regarding the GRT money that they have owed us for the last three years. David Montieth from the New Mexico Taxation and Revenue department was able to explain to them the proper calculations and they now agree that they owe the money. They owe \$181,000. They have suggested a repayment plan with an additional \$5,040.15, interest free, over the next 36 months. The Governing Board instructed us to respond to that letter and we will. Discussion was held regarding the loan agreement, the intercept and what is intercepted, accounting for what each entity has paid to the hospital and where the excess tax collection goes assuming there is excess. Ming stated that the monies collected from each entity do not cover the monthly loan payment to NMFA every month. The hospital has to pay out of operations as well. Ming will provide a spread sheet

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showing the yearly income from GRT and what the hospital has had to pay each year. The funds owed to the hospital from the City of Elephant Butte GRT should have been put in a suspense account.

Finally, Jim Paxon stated that David Faulkner is on his second tour with the hospital as the ICEO. He has been instrumental in working with the Governing Board to move us towards solvency and we owe him a tremendous amount of gratitude for shepherding this hospital.

N. Governing Board Report - Serina Bartoo, GB Chair. We are in final negotiations with our potential CEO. We hope to have answer in the next week. The audit was approved at the Governing Board meeting on December 2nd. Governing Board members will be submitting their board education hours to Ovation by the end of this month.

9. Next meeting: March 19, 2026 at 2:00

10. Adjournment- Meeting adjourned at 4:52

JB _____
Jennifer Burns, Recording Secretary

JP 3/26/26 _____
Jim Paxon, JPC Chairperson