

**Hamilton County Hospital District
Board Meeting Minutes
May 10, 2024**

Presiding: Robert Witzsche

Board members in attendance: Doug Forrest, Robert Witzsche, Mike Collett

Board members absent: Neil Muxworthy, Karen Craig

Others Present: Grady Hooper, Chief Executive Officer; Melissa DeLaGarza, Chief Operating Officer; Tammy Schreiber, Chief Financial Officer; Tracey Karasek, Chief Administrative Officer; Jordyn Powers, Recording Board Secretary; Bobbie Nichols, QIPP Director; Kim Hinton, Hamilton-Herald News

Date and time: Friday, May 10, 2024, 11:30a.m., Hamilton General Hospital Board Room, 400 N Brown St, Hamilton, Texas 76531

Citizen comments (limit of 3 minutes per person): There were none.

The Board decided to discuss agenda items together and take the prospective votes after the discussion. Grady Hooper stated that the IGT payments are \$25 million each which need to be paid next month and in December. Extraco Bank has two proposed agreements, one for IGT loan and the other loan for finishing construction on the Specialty Clinic. First Financial Bank has a proposed agreement for an IGT loan. There is a third bank, Legends Bank, proposing an agreement for IGT and we will receive it by Monday of next week. First Financial Bank and Legends Bank are both familiar with the QIPP program and have issued working capital loans for QIPP in the past. Regardless of the bank chosen, operating accounts will need to be moved to the bank chosen. Both banks are wanting a 180-day audit after year end but may offer an exception if needed. Robert Witzsche asked about the third proposal from Legends Bank, Hooper stated we will not have finalized information until Monday, but that it is similar to First Financial Bank proposal. The IGT declarations are due Monday. We may need to call for another Board meeting if Legends Bank sends their proposal. Mike Collett said he does not want to bank outside of our community. Hooper phoned in our attorney Trent Krienke. Witzsche asked Trent what he saw, positive or negative, from either bank options who have currently submitted a proposal. Krienke stated First Financial Bank has worked with other hospital districts and has a good template and good understanding of the QIPP program. Krienke also mentioned he is confident that First Financial will get a deal done by the end of the month. Krienke has not had a chance to work with Extraco in the past, so he is not as familiar with them. Collateral for the IGT loans would be Comp 1 Earnings through the QIPP program with a reserve on Comp 2-4 for any shortfalls. All access lien except for nursing home revenue. With a revenue bond the hospital can enter a deed of trust per the 315 Health and Safety Code. Hooper stated we will need to have all the documents wrapped up before the end of the month to get paid by the 31st. Witzsche asked if Administration had a preference on the bank proposals, and Hooper said he would like to use First Financial because of their experience with QIPP. Going back to quarterly payments, Hooper

liked having a banking partner already in QIPP and would like to ask board approval for First Financial.

Consider and act on Extraco Banks Resolution for revenue bond for building construction completion of a Specialty Clinic: Forrest moved, Collett seconded to table Extraco Banks Resolution for revenue bond for building construction completion of a Specialty Clinic. Motion carried.

Consider and act on Extraco Banks Resolution for 1 year revolving line of credit for \$15MM for IGT for QIPP payment fronting purposes: Forrest moved, Collett seconded to table Extraco Banks Resolution for 1 year revolving line of credit for \$15MM for IGT for QIPP payment fronting purposes. Motion carried.

Consider and act on First Financial Bank loan to support IGT: Witzsche made a motion to go with First Financial Bank for QIPP loan. Forrest moved, Collett seconded approval on First Financial Bank loan to support IGT. Motion carried.

Consider and act on opening an account at First Financial Bank: Witzsche made a motion to open two accounts at First Financial. Forrest moved, Collett seconded approval on opening two accounts at First Financial Bank. Motion carried.

Administrator Report: Hooper reported that construction progress to the Specialty Clinic continues although rain may possibly impact the project timeline. A significant amount of rainfall, approximately 10 inches, was received over the past week. We are closely monitoring any issues with runoff and drainage as a complaint was received from the neighboring property owned by Linda Harvell about her mulch washing away from flowerbed and sediment from the construction site getting on her patio. The maintenance team from the hospital has already been sent to her property for any clean up and Hooper has been there to visualize the conditions. The construction team will be placing a sediment barrier next to the fence to hopefully prevent any issues with the caliche washing under the fence and the sidewalk on the North side of the construction site will be prioritized but will likely be 4 weeks away from completion. This is expected to significantly reduce drainage issues in this area. The exterior finish sample walls have to be done due to the rain event, but the steel construction is able to continue mostly on schedule.

Adjourn: Forrest moved, Collett seconded at 12:43pm that the meeting be adjourned. Motion carried.



Robert Witzsche, President
Hamilton County Hospital District