

**BAY AREA HOSPITAL
FINANCE COMMITTEE MEETING MINUTES
January 28, 2025
Myrtle Conference Room / Microsoft Teams**

CALL TO ORDER

Chair Ms. Barb Taylor called the meeting to order at 5:17 pm; there was a quorum in attendance.

FINANCE COMMITTEE MEMBER ATTENDANCE

Finance Chair Barbara Taylor; Tom McAndrew, MD (*via Teams*); Jim Hough; Linet Samson; Taylor Cribbins and Eric Farm (*via Teams*).

ABSENT (*excused*)

Fred Messerle

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrott

STAFF ATTENDANCE

Mary Lou Tate, CFO; Brian Moore, CEO; Jenn Collins, CNO; Kelli Dion, CQO; Dr. Lee Saltzgaber, CMO and Shanna Sheaffer, Executive Assistant (*via Teams*); Denise Bowers, Executive Assistant.

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE

Public was in attendance via Teams and in person.

APPROVAL OF FINANCE COMMITTEE MINUTES – Mr. Tom McAndrew, Chairperson

Mr. Jim Hough moved to approve the Finance Committee minutes for November 26, 2024, as presented in the packet; Ms. Taylor Cribbins seconded. The motion carried on call of vote.

OLD BUSINESS – Ms. Mary Lou Tate, CFO

Ms. Mary Lou Tate, CFO discussed the need to redeem \$3 Million to fund operations and requested an additional \$4 Million. The Finance Committee was informed about the need for a robust discussion next month regarding the strategic movement of board-designated funds.

DESCHUTES – Mr. Macgregor Hall

Ms. Mary Lou Tate, CFO and Mr. Mac Hall discussed the actuarial assumptions and funding scenarios for the Defined Benefit Plan. Currently the plan is 97% funded and has over \$57 Million in assets. Options for funding the plan, including annuitizing the plan or continuing district obligations with different funding levels.

NEW BUSINESS – Mr. Brian Moore, CEO Ms. Mary Lou Tate, CFO

Mr. Brian Moore provided an update on conversations with the lender noting that BAH financials performance has led to a technical default related to the EBITDA covenant. The bank is considering a forbearance request and the need for a Plan B. Mr. Brian Moore also explained the due diligence process following the letter of intent with Quorum, including data requests and confidentiality agreements. The team has uploaded over 3000 documents for Quorum's review. Ms. Mary Lou Tate clarified the Finance Committee's role in the Quorum Transaction, noting that the committee will have a significant role in managing the Defined Benefit Plan and ensuring compliance with the agreement.

FINANCIAL PRESENTATION – Ms. Mary Lou Tate, CFO

Ms. Mary Lou Tate updated the committee on End of Month Financial results and discussed the hospital is very close to not making bank ratios for cash and days cash on hand. We forecast that we will continue to not make the Debt Service Covenant Ratio.

Ms. Mary Lou Tate then updated the committee on the Key Performance Indicators (KPI) and a Capital Update as presented in the packet.

Questions were asked and answered.

GOOD OF THE ORDER

Next meeting will be February 25, 2024, at 5:15 p.m.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 6:44 p.m.

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Barbara Taylor, Finance Committee Chair

Date: February 25, 2025