

**BAY AREA HOSPITAL
JOINT FINANCE COMMITTEE & BOARD MEETING MINUTES
February 25, 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; Linet Samson; Taylor Cribbins and Eric Farm.

ABSENT (excused)

Fred Messerle; and Jim Hough

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrott; and Troy Cribbins

STAFF ATTENDANCE

Mary Lou Tate, CFO; Brian Moore, CEO; Jenn Collins, CNO; Kelli Dion, CQO; Dr. Lee Saltzgaber, CMO; Gretchen Nichols, COO; and Shanna Sheaffer, Executive Assistant.

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE

Public was in attendance via Teams and in person.

GRAYSTONE

Tim Skelly
Greg Manjerovic
Nicholas Bzovi

APPROVAL OF FINANCE COMMITTEE MINUTES – Ms. Barb Taylor, Chairperson

Mr. Tom McAndrew, MD moved to approve the Finance Committee minutes for January 28, 2025, as presented in the packet; Mr. Eric Farm seconded. The motion carried on call of vote.

REPORT OF THE BOARD CHAIRPERSON – Mr. Troy Cribbins

Chairperson Cribbins opened with comments regarding the open Board Member position; the need to fill it and the conversation had with Mr. Darin O'Bryan of O'Bryan Advanced Dentistry. Mr. Cribbins stated that he would entertain a motion to approve appointing Mr. O'Bryan to the BAH Board of Directors at this evenings meeting.

Action taken by the Board:

Mr. Troy Cribbins moved to appoint Mr. Darin O'Bryan to fill the board seat for Position #3 as previously discussed. Dr. Tom McAndrew seconded and the motion carried on a call of vote with all board members present casting a vote.

Swearing-In New Board Member:

Darren O'Bryan was sworn in as a new board member by Shanna Sheaffer, Executive Assistance. A check with Ms. Kronsteiner revealed that Mr. O'Bryan is able to participate in tonights meeting and discussion and will be able to cast vote once sworn in.

OLD BUSINESS – Mr. Tim Skelly - Graystone

Mr. Tim Skelly provided an overview of the current portfolio and the need for liquidation due to the hospital districts financial situation. Mr. Skelly and Mr. Greg Manjerovic discussed the strategy for liquidating the portfolio, focusing on the priority of liquidating mortgages first, followed by corporates and governments. They emphasized the importance of timing and market conditions for minimizing cost.

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

Mr. Brian Moore provided an update on the hospital's activities, including a community open house and a visit from the CEO of Quorum. The focus was on improving communications and addressing community concerns about the hospital's future. Mr. Brian Moore and Ms. Mary Lou Tate discussed the need to negotiate with BMO for more time to liquidate the funds and reduce the initial payment request. They plan to work on a counterproposal to address BMO's demands.

Ms. Mary Lou Tate proposed changes to the retiree health benefits due to the district no longer having benefit options after the transition to Quorum. Ms. Tate proposed terminating the retiree health benefits program for new retirees effective April 1, 2025, and ending the program for current retirees on June 30, 2025. This change aims to give current retirees ample notice to find alternative insurance options. The committee emphasized the importance of providing current retirees with sufficient notice to transition to new insurance plans. The Finance Committee discussed the proposal and recommended it to the board with Linette Samson abstaining from this vote.

Ms. Mary Lou Tate also proposed providing a lump sum payment to retirees with lifetime dental and vision benefits and those receiving AARP subsidy, again due to the Quorum transition. The lump sum aims to cover 12 months of premiums, allowing retirees time to adjust their budgets and find alternative coverage. The committee acknowledged the potential challenges but emphasized the need to provide a transition period for all affected employees. The Finance Committee discussed the proposal and recommended it to the board.

Ms. Mary Lou Tate discussed the March Finance Committee meeting date. Currently the meeting is scheduled for Tuesday, March 25th. Due to it being Spring Break we are looking to move it to Tuesday, March 18th to assure we will have a quorum. The Finance Committee discussed this and made the decision to move it to March 18th.

Ms. Mary Lou Tate and Mr. Brian Moore discussed the forbearance request submitted to BMO, which included financial projections and a proposed repayment timeline. The request aimed to address the hospital's financial challenges and they plan to negotiate more favorable terms with BMO. BMO responded to the forbearance request with a counterproposal, demanding a \$20 million payment by the end of March and a total of \$46 million by July 31st.

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 did not make the 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 than 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 March 18, 2025, at 5:15 p.m.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 7:00 p.m.

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Barbara Taylor, Finance Committee Chair

Date: March 19, 2025