

**BAY AREA HOSPITAL
FINANCE COMMITTEE MEETING MINUTES
March 19, 2025
Myrtle Conference Room / Microsoft Teams**

CALL TO ORDER

Chair, Ms. Barb Taylor called the meeting to order at 5:15 pm; there was a quorum in attendance.

FINANCE COMMITTEE MEMBER ATTENDANCE

Finance Chair Barbara Taylor; Tom McAndrew, MD; Linet Samson; and Taylor Cribbins.

ABSENT (*excused*)

Fred Messerle; Eric Farm and Jim Hough

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrott and Renee Nelson

STAFF ATTENDANCE

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

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE

Public was in attendance via Teams and in person.

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

Ms. Linette Samson moved to approve the Finance Committee minutes for February 25, 2025, as presented in the packet, Mr. Tom McAndrew, MD seconded. The motion carried on call of vote.

OLD BUSINESS – Ms. Mary Lou Tate, CFO

Ms. Mary Lou Tate provided an overview of the Defined Benefit Plan Projection & Monte Carlo Simulation. Ms. Mary Lou Tate discussed the balance sheet transition from accrual-based to cash-based, highlighting the assets and liabilities retained by Bay Area Hospital and the adjustments made for cash equivalents and accounts receivable. She explained the funding scenarios for the Defined Benefit Plan, including the impact of different funding amounts on the required annual return rates. Ms. Mary Lou Tate reviewed the Monte Carlo simulation results for the pension plan, discussing the probability of success and the potential variations in portfolio assets based on different market scenarios.

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

Mr. Brian Moore provided an update on the due diligence process, including the completion of site visits and the transition plan for the interim CFO, Mitch Watson, who will be joining the team next week.

Ms. Mary Lou Tate introduced Karen Miller as the new Controller, replacing Sherry Horne, and highlighted her background and experience.

Ms. Mary Lou Tate also proposed retiring the current funding policy for the defined benefit pension plan, explaining that it no longer aligns with the future operations of Bay Area Hospital and requesting the Finance Committee's recommendation to the board. Mr. Tom McAndrew, MD moved to recommend sending this to the Board, and Ms. Taylor Cribbins seconded. The motion carried on call of vote.

FINANCIAL PRESENTATION – Ms. Mary Lou Tate, CFO

Ms. Mary Lou Tate updated the committee on End of Month Financial results and discussed the compliance report for the bank, noting that the hospital remains in default on the income available for debt service and we are currently paying the default interest rate of 10.5%.

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 May 27, 2025, at 5:15 p.m.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 6:30 p.m.

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Barbara Taylor, Finance Committee Chair

Date: March 19, 2025