

HUNT MEMORIAL HOSPITAL DISTRICT
BOARD OF DIRECTORS' BUDGET WORKSHOP MINUTES

August 24, 2021

The Board of Directors of Hunt Memorial Hospital District conducted a budget workshop on Tuesday, August 24, 2021 at 3:30 p.m. in the sixth floor Homer Horton, Jr. Boardroom at Hunt Regional Medical Center, 4215 Joe Ramsey Boulevard, Greenville, Texas.

Dr. Pierce, Chairman, called the workshop to order.

ROLL CALL:

Mrs. Sarah Alderman (Absent)
Dr. James Barr (Absent)
Mrs. Deborah Clack
Mr. John C. Nelson, Jr. (Absent)
Mrs. Janet Peek
Dr. Scott Pierce
Mr. William Rutherford (Absent)
Mr. Michael Taylor
Mrs. Julia Wensel

comprising a quorum of the Board; also,

Mr. Richard Carter, President/CEO
Mr. Stuart O'Neil, Legal Counsel
Mr. Lee Boles, Vice President/CFO
Mr. Reese Hurley, Vice President/CNO
Mr. John Heatherly, Vice President/Support Services
Ms. Emily Sundeen, Vice President/Quality and Clinical Integration
Ms. Lisa Hill, Foundation Development Marketing Communications Director
Mr. Andrew Lawrence, Accounting
Ms. Jamie Morgan, Accounting
Mrs. Mary Pattberg, Decision Support Director

**Proposed
HMHD
FY 2022
Operational
And Capital
Investment
Plan Budgets**

Mr. Boles presented the first draft of Fiscal Year 2021 Hunt Memorial Hospital District Operating and Capital Plan budgets. He outlined trends for adult, NICU and birth admissions, outpatient and emergency department visits, assumptions for service demand in Greenville, noting there was not an increase to charges reflected on the revenue assumptions, he reviewed the revenue mix and revenue deductions, payer mix history, the new terminology and calculations of the truth-n-taxation process, the debt service for outstanding issues, property tax rates, changes in key taxation indicators, tax revenue for operations compared to uncompensated care costs with the funding gap increasing from \$3 million to \$10 million in ten years, and

operating expenses including salaries, professional fees, supplies, purchased services, repairs and maintenance, lease rentals, insurance, utilities, and non-operating income. Not reflected in the workshop draft budget is a second pass to validate admissions, patient days, and surgical volumes; the impact of changes in payer or service mix to contractals; UHRIP, CHIRP, DSRIP final changes; detailed final expense review by senior leadership; and Board input on tax rate and service lines. The cash flow projection schedule was reviewed and Mr. Boles reported the Hunt Memorial Hospital District Capital Investment Plan budget requests total \$9,398,162 with major expenditures of \$695,000 for a 3D Mammography Unit and Coach, \$580,000 for Mindray Tele Monitors and \$475,000 for a main entrance roof at Hunt Regional Medical Center, and \$4,250,754 is budgeted for OR/OB expansion equipment with \$7,754,961 budgeted for depreciation expense. He reported the new Electronic Health Record system is not included in the capital budget as the latest proposal received from one of the vendors will not require any outlay of funds initially and the purchase of new equipment for the Cath Lab and a new linear accelerator has been deferred for one year.

**Proposed
HMHD 2021
Ad Valorem
Tax Rate**

Mr. Boles presented historical data on the Hunt Memorial Hospital District property tax rates and reported the revised certified property tax values are \$8,044,984,266. He reviewed the current tax rate options with our current debt noting the voter-approval tax rate would be \$0.235831 with total tax revenues of \$18,972,599 and the no-new revenue tax rate \$0.222436. Following review, Mr. Taylor moved, seconded by Mrs. Peek, to propose an ad valorem tax rate for 2021 at \$0.235831 with the debt rate at \$0.050199 and maintenance and operation rate at \$0.185632, and to conduct one public hearing on the proposed tax rate on Tuesday, September 21, 2021 at 5:00 p.m. The motion carried unanimously.

Adjournment

There being no further business, the meeting adjourned at 4:44 p.m.


James Barr, Ph.D.
Secretary