

**MINUTES FROM THE SPECIAL WORKSHOP MEETING
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
BOARD OF TRUSTEES**

June 9, 2025

The Board of Trustees of Memorial Hospital of Sweetwater County met via Zoom in a special workshop meeting on June 9, 2025, at 10:00 a.m. with Dr. Barbara Sowada, President, presiding.

CALL TO ORDER

Dr. Sowada called the meeting to order. The following Trustees were present: Judge Nena James, Mr. Marty Kelsey, Ms. Kandi Pendleton, and Dr. Barbara Sowada. Mr. Craig Rood was excused.

Officially present during the meeting: Ms. Irene Richardson, Chief Executive Officer; Mr. Geoff Phillips, Legal Counsel.

FY 2026 BUDGET WORKSHOP

Ms. Tami Love, Chief Financial Officer, reviewed the information in the meeting packet. She said the proposed budget is conservative and in line for our current year. She said most statistics are budgeted at the prior year. She said the biggest change is in surgical services. Ms. Love said we have also seen an increase in outpatient services and clinic visits. We are recommending a 6% increase to our rate, which is in line with what we have done historically. Ms. Love said we are seeing some potential impact to our reduction in revenue. She said there are some unknowns, for example, tariffs and legislation. She said we expect to see a benefit from moving to Critical Access Hospital status. Ms. Love referenced proposed FTEs and said all requests must come before the Position Control Team for approval even if they are included in the approved budget. Mr. Kelsey said he thinks we need some specific measurable goals at the beginning of the year approved by the Board to establish measurements for future success sharing. Ms. Love suggested utilizing the strategic plan and performance improvement and patient safety (PIPS) plan. Ms. Love said we are planning for continued decrease of contract staff. Ms. Love said we have made increases in the budget for drug costs, supplies, linens and food cost increases. Mr. Kelsey asked for more information regarding Unidine food services. Ms. Love said she would look at historical information and develop information to provide to the Board. She said the department has never been revenue-generating. She said they provide a budget to us. We send a pre-payment at the end of every month and they come back with actual expenses. We review on an ongoing month-to-month basis and review the contract every year. Ms. Love said we are recommending \$3.5M for capital for FY26. She reported the balance sheet continues to be strong and reviewed key performance indicators. She said Clifton Larson Allen will provide some updated numbers for us to do some benchmarking in an effort to compare with like critical access hospitals. Mr. Kelsey asked for more information on phase two of the wage and salary adjustment. Ms. Love said we performed a full analysis the previous year and worked to get everyone to a midpoint calculation. Phase two takes into account people working at the Hospital multiple years to ensure they receive the benefit of the higher number of years. She said it impacts approximately 59 people. She said we are requesting a 3.5% increase for all staff. Ms. Love said barring questions/requests from the Board, she feels the draft budget is complete and ready for presentation to the Finance and Audit Committee. Ms. Love thanked Ms. Jan Layne, Controller, and Ms. Erika Taylor, Senior Accountant, for their hard work. Mr. Kelsey said he appreciates everyone's work and thinks

planning conservatively is a good strategy. He noted there is a lot of uncertainty right now. Ms. Richardson thanked Ms. Love, Ms. Layne, and Ms. Taylor. She said she appreciates their attention to detail. Ms. Richardson said we looked at all assumptions and are very careful with the assumptions. She agrees it is best to be conservative and said our budget reflects that. She said she appreciates department leaders looking at their budgets and being mindful of details. Ms. Richardson said we really have grown our balance sheet and thanked the Board for allowing us to do the things we needed to do to do that. Dr. Sowada said the next step is for the budget to go to the Finance and Audit Committee, then a special meeting will be scheduled to approve the budget via Zoom prior to July 1. She thanked Ms. Love, her team, and all staff involved on a daily basis. Mr. Kelsey said he feels good about the budget and said good things are happening in the area of finance.

ADJOURNMENT

The meeting adjourned at 11:00 a.m.

Ms. Kandi Pendleton, President

Attest:

Judge Nena James, Secretary