

Three Rivers Hospital

Board of Commissioners Special Meeting

January 10, 2019

Minutes

The Three Rivers Hospital Board of Commissioners called a special meeting to order at 12:05 p.m. Thursday, January 10, 2019 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812. The presiding officer was Mike Pruett, Chair.

A quorum was present, including:

Mike Pruett, Chair
Vicki Orford, Vice Chair
Tracy Shrable, Secretary (via phone at 12:14 p.m.)
Cherri Thomas, Member (via phone)
Leslie McNamara, Member

Others present:

Melanie Neddo, Chief Operating Officer (via phone)
Jennifer Munson, Chief Financial Officer
Jennifer Best, Administrative Assistant
Christopher Majors, Business Development Coordinator

Vision, Mission & Values

All took turns reading the vision, mission, and values statements.

Agenda

L. McNamara motioned and V. Orford seconded to accept the agenda as official. As a special meeting, no items can be added to the agenda.

Public Hearing

M. Pruett opened the public hearing at 12:07 p.m. for the 2019 budget and capital requests. J. Munson reviewed the proposed budget and how she reached some of the calculations based on inpatient and outpatient volumes.

Wage increases are built into the budget; it's 6% overall, including cost-of-living adjustments, step increases, and negotiated nurses' wage increases.

The budget includes expected reimbursement from North Valley Hospital for Scott Graham's salary, as well as reductions in cost for anesthesia staff.

ERx is proposing an increase, and that has been built into the budget as well. We are working on collecting more information.

On the capital requests list, J. Munson removed equipment that is in the process of being ordered via the previously board-approved Meridian financing contract. L. McNamara asked if what remains on the list is beyond what the board approved to spend; yes.

C. Thomas asked if the hospital budgets for contingencies, such as emergent facility or equipment problems.

J. Munson said we have not in the past included monies for contingencies. V. Orford stated that we're working on building cash on hand, and once there's a more substantial positive balance the hospital would earmark some for reserves.

Expense-wise, J. Munson noted that this year's budget did not require a lot of adjustments in each department. The managers did a good job with their expense budgets.

L. McNamara noted that there isn't a lot of room to cut costs in the budget. J. Munson explained that supplies are volume-driven, and much of our maintenance costs are contracted.

L. McNamara asked when the outstanding loan will be paid off. J. Munson believes it's a five-year loan. The bond used to pay for capital improvements is paid for using property tax revenues that J. Munson sets aside.

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V. Orford asked how close the hospital came to matching the 2018 anticipated budget. The year-end budget paperwork has not yet closed, but J. Munson estimates a \$2,555 variance from the net operating income.

L. McNamara asked for clarification about the capital requests. Although they are part of the approval of the budget, the board has not officially agreed to purchase any of those items.

T. Shrable asked about the clinic patient volume projections, and whether consideration was given to the fact that we currently don't have a consistent family practice provider; yes.

Once the budget is approved by the board, it's up to Administration to enact the wage increases. Last year, the choice was made not to implement the increases, but it has been five years since the last cost-of-living adjustment. M. Neddo thinks the hospital may start to see a loss of staff who can make more elsewhere.

There's also some income disparity between long-term staff and new staff that needs to be corrected.

M. Pruett agreed that this is a good and worthy priority.

With no other questions or comments, M. Pruett closed the public hearing at 12:29 p.m.

V. Orford motioned to accept the 2019 budget and capital requests as presented. L. McNamara seconded. Motion passed unanimously.

Adjournment

V. Orford motioned to adjourn the meeting at 12:30 p.m. C. Thomas seconded. Motion passed unanimously.

Mike Pruett, Chair

Vicki Orford , Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member