

**Mountainview Medical Center**  
**Board of Directors Meeting**  
**June 26, 2024**

Present: Bill Galt – Chair, Cheri Bailey, Chris Schlepp, Rob Brandt – CEO, Tony Pfaff – Cypress Healthcare

Via Zoom: Shane Sereday

Guest: David Sterner, Merrill Lynch

Call to Order

Bill called the meeting to order at 4 p.m.

Minutes

Minutes of 5/22/24 request for corrections or additions. Rick moved and Chris seconded to accept as presented. **Motion Passed.**

DON/Quality

Sharon reported that all nurse badges now have identification of what level of nurse they are. She was involved in code last week, a cardiac event, she has seen a lot of codes in her time and the staff here did one of the better jobs she has seen. The patient is alive and recovering. Staff did an amazing job as did the sheriff and ambulance crew. Everyone was calm and collected and each knew their role.

Medical Staff Report:

Scott Meissner reported the new Zoll machine was used during the above-mentioned code. Following the event an in-house training was conducted as it worked differently than the old one. Also used the pacer and everyone brushed up on that machine. 2 new EKGs purchased have been helpful in getting an accurate report within 10 minutes. BLS and PALS training was conducted this month. The ER acuity is increasing meaning more transfers.

Bill brought up the FAA approach the airport board has been fighting to get, are waiting for the FAA to fly the approach and approve. They were supposed to be here in July, but now has been pushed back until October and are charging 22K. Bill is suggesting the hospital pay the fee and then complain as no one has heard of anyone else having to pay to get this approved.

Meissner added that the fixed wing wouldn't come due to cloud height in the above-mentioned code. Patient was kept alive for 4 hours until they could transport. Flight options are: Benefis, Life Flight Butte/Bozeman, and Billings. Bill would like a detailed letter sent with specifics of the code and others not having to pay the fee.

Financials: March

- Investment Accounts: 1<sup>st</sup> Security 6K; US Bank (gain) 1.2 million; Merrill Lynch (gain) 1.18 million; Merrill Lynch CD 680K, pulled out funds for construction costs and again this month.
- New facility work-in-progress: 3.41 million
- Revenue: hospital 525K, clinic 63K, net patient 418K
- Expenses: 687K

- Operating loss 140K, with investment income total loss 93K
- Census: 6 in-patient days, 25 swing days, 43 ERs, 349 clinic visits
- Days Cash on hand: 175
- AR days: 65

Budget FY25: took 10 months of FY24 and did a pro forma for FY25. Did a 4.5% increase across the board. A couple additions/changes: fundraising line added with fees; investment income - was generating a lot of dividends, but as pulled funds out, income levels will result in lower amounts, so was adjusted down. Increased the health insurance benefits to 270K for the fiscal year as anticipate an increase of 8 to 9%. Lastly, increased the community benefit, these funds are used to improve the health of the community, this is a line item in our 990-tax return. Overall comes to an estimated 60K net profit budgeted for the next year. Motion to approve the FY25 budget by Rick, seconded by Chris. **Motion Passed.**

#### CEO Report:

New Facility: funding options discussion as the bond sale failed last week. The market is telling us the project is too big. Have 2 avenues to not change the footprint of the facility. With USDA collateral short, every other offer accepts the debt to service ratio. We are only getting the real estate value, a specific item to push them on. Another avenue is to get gap financing of 10 million, with someone who doesn't need collateral. Vocal response was 2 million max at 8%. If we look for community development funds, working with them will take 3 months.

Rob gave an idea of what cutting 10 million will look like: long-term beds reduced to 10 beds (1.5 million), removing kitchen (1.2 million), administration offices (900K), ambulance bay (440K), no physical therapy space (944K). Then the facility becomes unusable and unmanageable. Can do a redesign, but that is spending another million dollars. If we change the footprint, question becomes what dirt work has to be done at the site – as the vapor barrier has been placed. Feeling of no sense in building then. Tony agrees, it doesn't work with cuts. The only cut that wouldn't hurt is the cut to long-term care beds, but then have a negative community sentiment. With the cuts it would be a non-functional hospital. Today bed cuts wouldn't hurt us as we don't have that many residents, but comment made we will have to get into memory care, eventually.

With the mentioned cuts it still doesn't get us close, only 6 million, getting creative. 33 million is the build in hard costs.

Stay with looking for full financing. Will continue to pay the project manager. Still have a bill with Sletten for buttoning up the dirt work, 600K for what they have done already.

Economic development gap financing conversations were started today.

Question about the site testing samples. They were soured, but at the DEQ now, USDA will accept their answer for collateral. They will be redone on their dime in case we need to sell.

Yesterday, State architect asked about the current building and an asbestos and lead paint report.

Funding perspective is 38 million USDA commitment. Agreement with Sletten to pay 600K overtime due to waiting for financing and reimbursement. Try to get a meeting with USDA and take a couple board members. Tony gave another option most members won't like, go to Benefis and ask for 10 million dollars, possibly a loan from their Foundation, they will want something in return. They get the bulk of our transfers.

The board would like to explore everything. Not interested in building if doing cuts.

Discussion of non-necessary items, like landscaping and contingency costs.

Case for Support for fundraising was included in the packets. Rob and Shane will be meeting with a potential donor as a first test, they expect the individual will give good feedback and they can get a feel and direction moving forward.

Health Expo pricing: we can't compete. Meissner added that patients must make an appointment to review the lab reports done at the expo with our providers. MMC doesn't get the results from the health fair.

Medical Staff Reappointment: Dr. Ron Linfesty and Dr. Julianna Weiel are our Medical Directors for the lab, through Billings Clinic. Chris moved Rick seconded to reappoint to medical staff. **Motion Passed.**

Complaint Survey: abuse allegation that didn't get reported to the state, we had to show the process of reporting to the state going forward. Also, a resident eloped and was brought back that didn't get reported. We had to show our process improvement to self-report. Response was accepted and closed.

Information Items: July meeting is generally cancelled; everyone agrees.

FAA approach thoughts, it is very important, especially during inclement weather when we can't get a helicopter in. Ambulance is BLS only, so are limited on how we transfer patients. Sometimes we have to wait for advanced support crews from the outside. Include that information in the letter. Historically we have worked with the county to financially help the airport and split the costs. If we don't get the money in short order, we will get kicked back out of order and lost in the shuffle. Ask the commissions to help but pay the fee.

David Sterner presented the Merrill Lynch investment account numbers. It currently has more fixed income than recommended. Estimated bonds will benefit from higher rates. Positive in the portfolio of 5.6 % increase. 2022 was down 11%. Dividend manager is doing a great job. Cash flow assets increase the equity allocation. Cycle to moving toward value stocks and dividends. CDs are doing well now but will go down. Look into bumping the equities. If we need cash what is the process to getting funds, recommend 27% in equities instead of 12.5%, move to dividends.

Public Comment: none

Motion to adjourn by Rick, seconded by Cheri at 4:48 p.m.