

ATTENDANCE

Board of Directors

Betty Lyon
John Schmidt
Ray O'Brien
William (Bill) Albus
Matt Patterson

Hospital Administration

Kody Kitchens CEO
Grant Turner COO, CNO

Guests

Maggie Ramon

Minutes Taker

Mary McKnight

1. Opening

- a. Quorum present
 - i. Meeting called to order 5:03 p.m.
- b. Invocation led by Ray O'Brien.
- c. Public Comments
 - i. None
- d. Review and Consider Approval of Previous Meeting Minutes
 - i. Motion made to approve the July 16, 2025; regular session meeting minutes as read. Motion seconded. Four (4) votes in favor of approving minutes; zero (0) votes against. Motion passed; minutes approved as read.

2. Matters for Discussion and/or Action

- a. 2026 Budget
 - i. Kody presented the proposed budget for 2026 and discussion was held.
 - i. Salaries Budget increased and factors in 3% merit raises for employees. That also figures in Christmas bonuses for employees
 - ii. Travel & Education projected budget of almost \$88,000 was discussed. Kody explained each item that was figured under that section, including payroll, travel expenses, education costs for nursing and providers and reimbursement to Dr. Hughes for purchase of educational resources.
 - iii. Kody suggested the budget for EMS be increased from \$171,000 to \$350,000 stating the service could not operate on \$171,000.
 - iv. Inquiry made regarding what the Interest Expense budget was and what the hospital was paying interest on.
 - a. Kody called Diane Moore via speaker phone. Diane stated it was little stuff.
 - b. The big expense listed in there has to do with audit entry with fixed assets, its part of the Central Appraisal District and is in the wrong spot, it is \$14,677 and is the expense to the Appraisal District and needs to be moved to the Tax District Expense.
 - c. The little stuff totals out to around \$20.00 a year.

- v. Motion was made to approve the 2026 Budget as proposed with the following changes:
 - a. Interest Expenses is to corrected.
 - b. Budget for EMS is to be increased from \$171,000 to \$350,000.
 - c. Updated to include new tax rate.
 - d. Motion was seconded. Four (4) votes in favor of approving the 2026 Budget with the above changes to be made; zero (0) votes against. 2026 Budget approved with the above changes to be made.
- b. 2026 Tax Rate
 - i. Discussion held regarding hospital tax rate.
 - ii. Motion made to set the 2026 Tax Rate at 0.65%. Motion was seconded. Four (4) votes in favor of approving 0.65% as the 2026 Tax Rate; zero (0) votes against. Motion passed; the 2026 Tax Rate is set at 0.65%

3. Reports

- a. Senior Citizen Financial Report
 - i. Monthly financial report for the Senior Citizens reviewed.
- b. Cochran Foundation Meals Report
 - i. Kody reported the Dietary Department cooked 662 meals in July.
- c. Clinic
 - i. Not much change, numbers are about average compared to previous month.
 - ii. Clinic numbers down a little due to provider vacations.
- d. EMS
 - i. Not much change, numbers are about average compared to previous month
- e. Financials
 - i. Several large payments were made in July
 - i. \$386,201.83 to Medicare for our recoupment payment.
 - ii. \$53,473.20 to local CFO for submitting tax forms to IRS for the Employee Retention Credit. We received a total of \$679,435.57 from this program.
 - iii. \$45,397.93 to HHSC, this is our monthly payment on last year's Medicare Cost Report recoupment. It was the final payment
 - iv. Payments total: \$566,730.79. This resulted in a lower-than-normal balance in our operating account last month, however we have the money to make these payments and it is anticipated we will have plenty of money to make our IGT payment and cover the regular cost of doing business until the hospital receives the \$5,597,558 UC payment.
 - v. The hospital was been placed on a spending freeze; no purchases will be authorized unless absolutely necessary. This will stay in effect until we receive the UC payment.
 - ii. In order to make our IGT payment, Kody cashed in some of the hospital's CDs. City Bank agreed to waive the early redemption fee, saving us approximately \$18,000 in penalties. We currently have five (5) active CDs.
 - iii. The DY-14 IGT payment changes almost daily and as of today, the amount is \$2,249,024.23, leaving us with \$896,127.92 in our operating account.

- iv. Check Registry
 - i. Line 48 MGI Incorporated: New oxygen manifold.
- f. Administrator's Report
 - i. Flooring company has been on-site, and repairs are expected to begin in the next 30-45 days. All work will be done after business hours to minimize any impact on patient care.
 - ii. DY14-UC
 - a. Our Charity Policy has been updated, allowing for recovery of funds not paid in previous years. In Intergovernmental Transfer (IGT) of \$2,239, 023.37 must be completed by 5:00 p.m. (CST) on August 29, 2025. Approximately 30-45 days after this transfer, the hospital will receive the DY14-UC final payment of \$5,597,558, resulting in a net gain of \$3,358,534.63.
 - b. During the July 16, 2025 financing options were discussed. City Bank agreed to allow the hospital to cash in two CDs without penalty, resulting in savings of \$18,000. Sufficient funds remain in the operating account to support ongoing business operations until the reimbursement is received.
 - iii. TimeTrex
 - a. Trubridge was requiring the hospital to switch its time clock system from TimeTrex to Paylocity. Kody had signed the Paylocity contract after being told the change had to take place by July 1st. He found the change to Paylocity was going to cost the hospital an additional \$11,000 annually. Kody reached out to TimeTrex and learned that the hospital could continue using their system by contracting with them directly. Kody and Grant met and negotiated with the CEO of Trubridge and the hospital was allowed out of the Paylocity contract without penalty.
 - b. Kody has since signed a twelve-month contract with TimeTrex at annual cost of \$5,472 with a one-time implementation fee of \$1,199.04, saving the hospital approximately \$6,000 per year, avoiding complications from implementing a new system, preserving valuable data and simplifying year-end tax processing.
 - iv. Kody and Grant will be attending a conference in Austin September 8-11, 2025. This conference will address most of the changes in state and federal legislation that affect government programs we currently use.

4. Executive Session

- a. Kody Kitchens requested the meeting move into executive session and Grant Turner be allowed to stay.
 - i. Request approved
 - ii. Entered executive session 7:00 p.m.
 - iii. Exited executive session 7:09 p.m.

5. Personnel

- a. No new business

6. Open Forum

- a. No new business

7. Adjournment

- a. Motion made to adjourn. Motion seconded. Four (4) votes in favor; zero (0) opposed. Motion carried.
 - i. Meeting adjourned 7:10 p.m.

Cochran Memorial Hospital CEO

Date

Cochran Memorial Hospital President, Board of Directors

Date