MCHD
MARTIN COUNTY
HOSPITAL

Board of Directors

Regular Board Meeting

Monday June 29, 2026

Attendees:

Morgan Cox, President
Albert Garza, Vice President
John Myrick, Secretary
Terry Franklin, Member
Clay Parker, Member - Absent
Frances Hernandez, Member
Brian Jackson, Hospital Attorney
Jackie Kolkman – Balefire
Dan Swenson – Balefire
Randall Thompson – Vandergriff Group
Nancy Cooke, CEO
Tonya Glisan, CFO
Linda Pierce, CNO - Absent
Jason Menefee – COO - Absent
Tina Columbus, Director Human Resources
Rebecca Brandon, Director of Rural Clinic - Absent
Amy Miramontes, Director of Quality
Pete Peterson – Balefire
Bill Parsons – Vandergriff Group

I. **Call to order:** Mr. Cox called the meeting to order at 11:30am.

II. **Swearing in of Appointed Board Members:** Mr. Brian Jackson requested newly appointed board member Albert Garza (Vice-President) to stand, raise their right hand, and state his name to take the oath of office. Oath of office completed.

III. **Board Member Completion of Conflict-of-Interest Statement:** The board discussed the completion of Conflict-of-Interest Statements. Emphasis was placed on the importance of disclosing any ownership interests in businesses affiliated with or conducting business with the hospital district, as well as ensuring that all statements were properly dated and signed. Members were reminded of their responsibility to provide accurate and complete disclosures.

IV. **Reading and Approval of Minutes:** Minutes were reviewed. Minutes from May 25th, 2026, were examined, with one correction. Minutes corrected, leading to a motion to approve and seconded. Motion passed.

V. **Public Comment** – None

VI. **Balefire Healthcare Capital Strategies Presentation – Jackie Kolkman (remote), Pete Peterson, Dan Swenson:** Discussion to highlight industry challenges such as under-resourcing and underperformance, the need for enhanced investment policy statements, and the importance of regulatory compliance and oversight. The presenters provided an overview of the consulting firm's approach, emphasizing a team-based, collaborative model with no commissions or incentives for selling products, and all employees being salaried. The firm aims to partner with the hospital to address investment governance and maximize reserves. Balefire provides committee members with four-part fiduciary training to educate them on person liability and responsibilities. The firm noting the current portfolio's conservative approach and potential for increased long-term growth with strategic changes. Scenarios were presented to illustrate possible yield improvements and administrative cost savings, and they

emphasized their fiduciary role and commitment to ongoing oversight. Current portfolio is approximately $100 million, primarily invested in TexPool with a recent seven-day yield of 3.64%. The consultants estimated that with small changes to investment strategy, long-term growth could increase by about $8 million over a 10-year period, representing opportunity costs. Hypothetical scenarios for active capital management, projecting a rate of return between 3.76% and 3.96% with zero to two-year portfolio, IPS compliant. A 12-basis point yield increase could result in approximately $3 million additional growth over 10 years on the $100 million portfolio. Annual dollar benefit from yield improvement estimated between $120,000 and $320,000 depending on scenario. The soft dollar value, including administrative cost saving and reduced staff burden, estimating additional annual savings between $145,000 and $370,000. The consultants emphasized their role as fiduciary partners, offering customized investment reporting, ongoing IPS oversight, and monitoring statutory changes to ensure compliance.

VII. **Medical Staff Report – Amy Miramontes:** The Medical Staff Committee met on June 24th addressing re-appointments, retirements, revisions to department policies in pharmacy, and safety. Patient satisfaction scores in the ER were discussed, with physician scores at 71% and a low survey response. rate. Quality reports from the committee were reviewed and found satisfactory, and HIM Directors report showed positive trends in all indicators. The lab interim director addressed communication issues in the lab and is actively working with medical staff to resolve concerns. Medical staff rules and regulations are under review and have been sent to legal for further review. Motion to approve medical staff report approved and seconded. Motion passed.

VIII. **Medical Staff Privileges – Amy Miramontes:** Medical Staff privileges were approved for the following providers:

- Belew, Zachary, CRNA

One resignation has been approved

- Tarboush, Moayad, MD

Motion to approve Medical Staff Privileges approved and seconded. Motion passed.

IX. **Quality Assurance / Patient Safety Report - Amy Miramontes:** The Quality Patient Safety Committee met on June 22nd and reviewed regular monthly quality reports. A new quality platform is being used for reports, and directors are monitoring new indicators. Quality and Patient Safety Committee meetings will move to a quarterly schedule due to increased reporting workload but will revert to monthly if quality concerns arise. There is a quality coordinator position currently open. Motion to approve Quality Assurance/Patient Safety Report approved and seconded. Motion passed.

X. **Discussion and Possible Actions on Policies, Policy Log - Amy Miramontes:** Eleven policies were revised in Safety (SAF 012, SAF 015, SAF 017, SAF 022, SAF 024, SAF 034, SAF 035, SAF 036, SAF 038, SAF 040, SAF 043), swing bed had one revised policy (SWB 005), pharmacy has thirty-one revised policies, (PHARM 004, PHARM 005, PHARM 008, PHARM 010, PHARM 012, PHARM 014, PHARM 020, PHARM 023, PHARM 025, PHARM 031, PHARM 038, PHARM 039, PHARM 041, PHARM 043, PHARM 044, PHARM 047, PHARM 049, PHARM 51, PHARM 052, PHARM 056, PHARM 057, PHARM 058, PHARM 060, PHARM 063, PHARM 064, PHARM 067, PHARM 070, PHARM 071, PHARM 072, PHARM 073, PHARM 074), and one new policy in pharmacy (PHARM 078). Motion to approve Policy Log approved and seconded. Motion passed.

XI. **Strategic Initiatives – Nancy Cooke:** A presentation was given by Vandergriff Group Architects (Bill Parsons and Randall Thompson) showcasing the hospitals multi-phase expansion and renovation project, including changes to project phasing and scope. Phase 3A will focus on site work, new entrances, sidewalk construction, water line relocation, and parking improvements. Phase 3B will be new construction and Phae 3C will be interior renovations. New construction will include community spaces, training centers, expanded kitchen and dining areas, new administration and HR offices, expanded lab, and improved patient access and waiting areas and a chapel will also be added. Parking needs were discussed extensively, staff will be asked to assess future parking requirements, including the possibility of multi-level parking structures. Technical challenges are identified, relocating water lines to avoid building over them, upgrading generators and transformers, and ensuring efficient mechanical and

electrical systems. Phase 3B will include 52,865 square feet of new construction, and Phase 3C will involve 17,102 square feet of interior renovations. Heavy renovation is planned for areas such as converting the OR into a new kitchen. Initial cost estimate for the project is $33 million, but the total cost could be closer to $40-$50 million, including equipment and furnishings. There was discussion on logistics for food service and central sterile transport during construction. Staff flexibility and temporary relocation options were discussed to facilitate construction, including use of the home health building and other available spaces. An update was provided on EMS progress rate at Tarzan including recent contact with Atmos and an upcoming meeting with Systech to discuss security. The civil engineer is coordinating with the Texas Department of Transportation on entrance configurations, and property owners have expressed willingness to cooperate on drainage and infrastructure. Motion to proceed with development of construction and bid documents bas on Master Plan presentation approved and seconded. Motion passed.

XII. Equipment - Nancy Cooke: Nothing to report

XIII. Contracts:

a. **HealthStream, Competency Suite for Learning– Nancy Cooke:** Discussion on transitioning employee education platforms to exclusively use HealthStream due to confusion with multiple platforms. The new three-year total cost for HelathStream would be $105,000, eliminating Health Edu costs. Motion to approve HealthStream, Competency Suite for Learning and seconded. Motion passed.

XIV. CFO Report – Tonya Glisan: The auditors are scheduled to start fieldwork in the second week of June.

- Cash on Hand: 845 days
- Total Cash & Investments: $99.2 million
- Tax Revenue: $36.4 million collected to date
- Operating Loss: ($612 thousand)
- Net Income: $1.9 million year to date
- AR Days: 56

Motion to approve CFO report and cash disbursements for May 2026 and seconded. Motion passed.

XV. Administrative Report – Nancy Cooke: Staff from Home Health were given a target for closure date of August 2nd. Of 15 current patients, 9 will be discharged over the next three weeks, and 6 will be transitioned to another home health agency by July 20th. Two nurses have chosen to remain with home health rather than transition. Staff will be paid through August 7th despite the August 2nd target date. An HHSC/RHTP grant of approximately $3.23-$3.5 million has been awarded over five years, with the first three years reimbursing submitted expenses and the last two years based on performance in reducing obesity and ER visits related to obesity and diabetes. The first year will provide about $1.2 million. Plans have been discussed to expand express care and fitness center hours and to use grant funds for class therapy and diabetes education programs. There have been discussions on hiring a dietician and patient counselors as part of program expansion. Applications have been submitted for a manpower grant and an equipment grant, but awards have not yet been announced. Preparations for construction are complete, including building temporary nursing stations, and relocating equipment. Hydie Stewart has started as the new ER director and has been involved in the construction preparation process. An offer was made and accepted for a new lab director. Ms. Cooke has been asked to serve on the Permian Basin Behavioral Health Hospital Advisory Board and will schedule a call to learn more.

XVI. Executive Session:

a. **Texas Government Code 551.071: Consultation with Attorney**
b. **Texas Government Code 551.074: Personnel Matters**
c. **Texas Government Code 551.072: Real Estate Discussions**
d. **Texas Government Code 551.085: Organization Services and Product Lines**

XVII. **Return to Open Session and address any other outstanding issues that have been properly posted for consideration:** N/A

XVIII. **Adjourn Meeting:** 2:00 p.m.

Morgan Cox, Board President — Date 7-27-26

John Myrick, Board Secretary — Date 7/27/26