

MINUTES FOR THE PUBLIC HEARING AND THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The Public Hearing set for 5:30 p.m. on December 17, 2025 to address the 2024 budget of the Winnie-Stowell Hospital District (“District”) was published and filed ten (10) days prior to the meeting in the Hometown Press and Seabreeze Beacon pursuant to Section 286.125 of the Texas Health & Safety Code. Additionally, the Public Hearing and the Regular Board meeting were noticed pursuant to Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 5:30 p.m. on the 13th day of December 2024, at 520 Broadway, Winnie, Texas 77665 (a copy of said Notice being placed amongst the files of the District).

Members of the public were asked to attend in person or allowed to participate on a conference call. In addition, a recording of the meeting is available upon request.

Public Hearing

At approximately 5:33 p.m., the Public Hearing was convened, and the roll was called of the members of the Board, to wit:

Mr. Ed Murrell	President
Mr. Anthony Stramecki	Vice-President
Robert “Bobby” Way	Treasurer
Jeff Rollo	Secretary

All said Board members were present except for Director Rollo, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Victoria Carlo	District Administrator
Mrs. Tina Davis	Indigent Care Director
Ms. Kiela Barron	Office Assistant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Ms. Kaley Smith	Coastal Gateway Health Clinic (“Clinic”)
Dr. Michael Lyons	Clinic
Mr. Kaleb Norris	Clinic

Mrs. Kacy Vratis	Resident/Former Board Member
Mrs. Patricia Norris	Community Health Director

President Murrell then called on the Finance Committee to discuss the proposed 2026 Budget. Per Directors Stramecki and Way, the Finance Committee met with Mrs. Vidal earlier in the month to review year-to-date 2025 results, the amended 2025 budget, and to prepare the proposed budget for fiscal year 2026.

Director Stramecki then led the discussion on the 2026 budget and provided the Board with an overview of anticipated revenues and expenses. *See Exhibit "A"*. A summary of the 2026 Proposed Budget is set forth below. According to Director Stramecki, the District's total income for 2026 is projected to be \$133,365,612.00, which represents an increase of \$3,438,428.00, or approximately 3 percent, over the amended 2025 budget total income of \$129,927,184.00. The increase in total income is primarily attributable to increased Nursing Home Quality Incentive Payment Program revenue associated with Quality Improvement Payment Program ("QIPP") Year 9, while other revenue sources, including sales tax, investment income, and rent, are projected to remain generally consistent with prior year levels.

Director Stramecki further explained that total expenses for 2026 are budgeted at \$128,600,237.00, which is substantially consistent with the amended 2025 budget. The resulting projected excess of revenues over expenses, reflected as total ordinary income, is \$4,765,375.00 for 2026 compared to \$1,350.004.00 as of the final 2025 Budget.

The Finance Committee and Mrs. Vidal then explained the significant changes in expenses from 2025 to 2026 by category, as summarized below.

Category	Change	Explanation
Administrative	\$112,399.00 Increase	Administrative expenses increased primarily due to a change in allocation of professional fees, including accounting and legal services, from the Nursing Home Operations side of the budget and adjustments to administrative salaries and benefits.
IC Healthcare	\$109,030.00 Increase	This line item remained roughly same with large decreases in the 1115 Waiver Payment and Indigent Care contracted payments (i.e., Mrs. Ojeda is no longer being paid through Contractor Services),

		but her payments were added back for the Community Health Worker Program.
Grants	\$427,473.00 Increase	The grant program increased because of the additional \$658,699.00 awarded to Coastal Gateway.
NH Program	\$3,385,654.00 Increase	The expenses for the Nursing Home Program increased due to the increased number of nursing facilities and the higher Intergovernmental Transfers ("IGT") for QIPP Year 8.
Property Acquisition/Development	\$4,011,500.00 Decrease	Property acquisitions decreased by \$4,000,000.00 mainly because no further property is scheduled to be acquired

Following the discussion of the proposed Budget, the Board was asked if there were any other questions but there were none. Therefore, the Board agreed to adopt the proposed budget during the Regular Meeting. Afterwards, a motion was made at 5:43 p.m. by Director Stramecki to close the public meeting. This motion was seconded by Director Rollo and passed with the unanimous consent of all Board members present.

Regular Meeting

Immediately following the Public Hearing, at 6:01 p.m., President Murrell called the Regular Meeting of the Board of Directors of Winnie Stowell Hospital District to order. The roll was called of the members of the Board, to wit:

Mr. Ed Murrell	President
Mr. Anthony Stramecki	Vice-President
Robert "Bobby" Way	Treasurer
Jeff Rollo	Secretary

All said Board members were present, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Victoria Carlo	District Administrator
Mrs. Tina Davis	Indigent Care Director
Ms. Kiela Barron	Office Assistant
Mr. Scott Johnson	Nursing Home Coordinator
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District's CPA

Ms. Kaley Smith	Coastal Gateway Health Clinic (“Clinic”)
Dr. Michael Lyons	Clinic
Mr. Kaleb Norris	Clinic
Mr. Mo Danishmund	CFO, Riceland Hospital
Mr. Saad Javed	CEO, Riceland Hospital (“Hospital”)
Mrs. Michelle Mendoza	Community Health Worker
Mr. Chris Rutledge	New Light/LTC
Mrs. Kacy Vratis	Resident/Former Board Member
Mrs. Patricia Norris	Community Health Director
Mr. Josh Wahleithner	Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS”)

4. Public Comment

President Murrell called on those present at the meeting to make any public comment but there were none made.

5. Review and approve minutes of November 19, 2025 Regular Meeting and the December 3, 2025 Special Meeting.

President Murrell then asked the Board to review and approve the minutes from the November 19, 2025 Regular Meeting and the December 3, 2025 Special Meeting.

Director Stramecki made a motion to approve the minutes of the November 19, 2025 Regular Meeting and the December 3, 2025 Special Meeting. This motion was seconded by Director Way and unanimously approved by all the Board Members.

6. Review and approve Accountant’s report and financials report for monthly payment of invoices; and adopt any budget amendments, if necessary.

Following the review and approval of the minutes, President Murrell called on Mrs. MaKayla Vidal, the District’s CPA, to present the District’s Income Statement and Balance Sheet for November 2025 and to present the Treasurer’s Report for December 17, 2025.

This month, Mrs. Vidal began her presentation with the Treasurer’s Report. See **Exhibit “B-1”**. She opened the report with a review of the invoices proposed

for payment during the reporting period, as outlined below.

Pending Expenses	For	Amount
Bayside Dental	SP Program	\$360.00
Brookshire Brothers	Indigent Care	\$1,574.71
CABA Therapy Services dba Physio	SP Program	\$723.69
Coastal Gateway Health Center	Indigent Care	\$831.99
Dr. June Stansky	SP Program	\$180.00
Kalos Counseling	Youth Counseling	\$340.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$713.67
UTMB at Galveston	Indigent Care	\$41,927.42
UTMB Faculty Group Practice	Indigent Care	\$10,049.19
Wilcox Pharmacy	Indigent Care /Charity Care	\$2,425.33
Benckenstein & Oxford	Fidelity	\$21,336.00
Benckenstein & Oxford	Invoice No 51611	\$4,190.00
Graciela Chavez	Invoice 965992	\$160.00
US Department of Education	Acct# 177877782 - Benjamin Odom	\$1,214.81
3Branch & More	Inv # 45999	\$9,324.41
Function4	INV1255272	\$135.00
Technology Solutions	Inv # 2003	\$162.35
Indigent Healthcare Solutions	Indigent Care Inv # 81033	\$2,023.00
Vidal Accounting Services	Invoice 00116	\$5,775.00
Texas Conference of Urban Counties	IC - TIHCA Dues	\$200.00
Hubert Oxford	Retainer	\$1,000.00
Gaudet Solutions	SP Program	\$500.00
The Seabreeze Beacon	Inv# 8735	\$100.00
Coastal Gateway Health Center	Grant Pmt	\$137,229.00
Coastal Gateway Health Center	Grant Pmt Out reach & Enrollment	\$31,997.00
Barrier Reef Emergency Physicians	Indigent Care	\$121.20
Hall, Render, Killian, Heath & Lyman, PC	Inv # 670557	\$400.00
	Total Expenses	\$274,993.77

Once the Board reviewed the invoices and asked staff questions about the invoices, Mrs. Vidal referred the Board to the Funds Summary section of the Treasurer's report, which is set forth below.

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$116,395.33
First Financial DACA (Unrestricted)	\$71,641.68
First Financial DACA (Restricted)	\$249,850.58
First Financial Money Market	\$6,928,158.81
TexStar (Restricted)	\$7,166,658.38
FFB CD Balance	\$0.00
Total District Funds	\$14,532,704.78
Less First Financial (Restricted)	(\$249,850.58)
Less TexStar Restricted Amount	(\$500,000.00)
Less LOC Outstanding	\$0.00
Less First Financial Money Market	\$0.00
Less Committed Funds (See Total Commitment)	(\$34,668.56)
Cash Position (Less First Financial Restricted)	\$13,748,185.64
Pending Expenses	(\$274,993.77)
Ending Balance (Cash Position-Pending Expenses)	\$13,473,191.87
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$33,084,339.47

According to Mrs. Vidal, the District's total funds available as of the reporting

period were \$28,439,909.54 and the District's Total Funds, per the Treasurer's Report, were \$29,943,331.69.

Regarding the remainder of the Treasurer's Report, Mrs. Vidal updated the Board on the District's Committed Funds; Advance to Hospital for the DY-8 Repayment and IRS Advance Repayment; Interim Working Capital advances ("CHOW Advance"); and outstanding loan balances. A summary of each is as follows:

- **Committed Funds**: To date, the District has Committed Funds outstanding for the Coastal Gateway Health Clinic, Coastal Gateway Marketing Grant; WSVEMS grant, and the East Chambers Independent School District grants. As of the reporting period, the District has paid \$1,608,673.52 of the total \$1,643,342.08 in approved Committed Funds, leaving a remaining committed balance of \$34,668.56.
- **Advance to Hospital for DY-8 and IRS Advance**: Mrs. Vidal reported that the total amount advanced by the District to the Hospital for the DY-8 repayment obligation and the IRS payment advance was \$2,116,856.95. After accounting for repayments received to date, the remaining balance owed to the District is \$485,982.60.
- **CHOW Advances**: Mrs. Vidal reported that, as of the meeting, the District has one (1) outstanding CHOW Advance with the Oak Grove nursing facility. The total amount advanced was \$1,194,133.90, with a remaining balance owed to the District of \$377,288.10. Mrs. Vidal advised that the Board would discuss this advance in more detail under Agenda Item No. 14.
- **Outstanding Short-Term Working Capital Loans**: Mrs. Vidal reported on the District's outstanding short-term working capital loan with First Financial Bank related to QIPP Year 9 (Loan 27). She advised that the next scheduled principal payment is due on April 25, 2026 in the amount of \$15,835,050.00, with the remaining principal scheduled to be paid on July 25, 2026, as reflected in the amortization schedule.

Following the review of the Treasurer's Report, Mrs. Vidal asked the Board to review the bank register, which also include the invoices previously listed and discussed. (See Exhibit "B-2").

Lastly, Mrs. Vidal then reviewed the financials for November 2026 and the

Budget. As to the balance sheet, Mrs. Vidal explained that everything was order. Turning to the Budget, Mrs. Vidal recommended a final budget amendment for the District's 2025 fiscal year. *See Exhibit "B-3"*.

Regarding the proposed Budget Amendment 2, she explained that the amendment does not revise the District's revenue projections and instead reflects some slight limited adjustments to expense line items based on year-to-date activity. *See Exhibit "B-4"*. Mrs. Vidal advised that the expense adjustments included in Budget Amendment No. 2 were made primarily to account for staff end-of-year incentive payments and related payroll costs within the administrative budget. She further explained that the Grant Expenses were increased to provide additional funding for the Coastal Gateway program based on higher-than-anticipated expenditures. Otherwise, Mrs. Vidal noted that no other material changes were made to the budget and that the amendment increased the District's budget by \$119,095.00, leaving an excess in the budget of \$1,230,910.00.

Upon the completion of the discussion of the financials and the budget amendment, President Murrell then called for a motion to approve the financials, Treasurer's Report, payment of invoices and budget amendment. In response, Director Stramecki made a motion to approve: (i) the November 2025 financials (ii) the Treasurer's Report; (iii) pay the outstanding invoices; (iv) approve the Check Register as read; and (v) approved Budget Amendment No. 2. (*See Exhibit "B-1", "B-2", "B-3", and "B-4"*). This motion was seconded by Director Rollo and unanimously approved by all the Board members.

7. Discuss and take-action on Committee Reports: a) Finance Committee; b) Indigent Healthcare Committee; c) Personnel Committee; and d) Hospital Liaison.

Next, President Murrell asked the Committees if there were any reports but there were none.

8. Receive reports, by:

a. Administrator's Report

The District's Administrator reported on correspondence with the Chambers County Appraisal District regarding the District's tax exemption. She advised that the Appraisal District confirmed the exemption was applied for the 2025 tax year

and has now confirmed, following consultation with its attorney, that the exemption may be applied retroactively. The Appraisal District indicated it will process the retroactive change and include it in the change file to be submitted to the Tax Office in early January.

b. District Indigent Care Director Report

Next, President Murrell called on Mrs. Davis for the Indigent Care Director Report. Mrs. Davis reviewed the monthly report on active clients and the District's programs and then directed the Board to her monthly reports and the following charts and asked if there were any questions. (See **Exhibit "C"**).

c. Grant Report and Community Health Worker Report

Mrs. Carlo was asked to then give the District's Grant Report and Community Health Worker Report. Complete copies of the reports are attached as **Exhibit "D"**.

d. District General Counsel Report

Attorney Oxford did not have anything further to report other than what was to be discussed during on agenda item below.

e. Coastal Gateway Report

Turning to the Coastal Gateway report, Ms. Smith presented the Coastal Gateway's monthly report. A summary of the report is found in **Exhibit "E"**.

f. LTC Report

The Board was then directed to the November 2025 LTC Report. This month, Attorney Oxford reviewed the report. (See **Exhibit "F"**). Mr. Scott Johnson presented the November 2025 Nursing Facility report.

Thereafter, Mr. Chris Rutledge was called on to discuss the District's nursing facilities performance under the QIPP for Year 8, Quarter 4. Mr. Rutledge reported that the total QIPP payout earned for the quarter, prior to applicable splits, was approximately \$31,990,279.00. He further advised that overall attainment across all measured metrics was approximately 74 percent, which exceeded the program average. Mr. Rutledge noted that final facility-level reconciliations and distribution

Yearly Averages								
Census	2019	2020	2021	2022	2023	2024	2025-YTD	Average
ER Visits	190	174	220	229	249	262	295	231
Conversion to Inpatient/observation	10	13	21	20	26	26	27	20
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	9%	9%
Transferred out of ER	10	12	11	11	10	11	12	11
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	4%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	0%	29%
Number Inpatient days	58	115	191	154	81	73	51	103
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.27	8.61
Number Hospice days	12	5	9	4	2	0	0	5
Number Swingbed days	16	47	48	65	22	17	11	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.92	2.69
Number Observation days	18	23	25	33	39	34	30	29
Total All Inpt. Days	104	190	273	255	144	123	92	169
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.04	5.55
CTs	42	57	64	67	80	95	107	73
Xrays	204	228	287	249	211	239	252	239
Ultrasounds	23	16	37	35	20	25	26	26
Labs-Covid (#encounters)	0	0	0	460	47	43	36	84
Labs-RPP (#encounters)	0	0	0	120	77	46	43	41
Labs-All Other (# encounters)	0	0	0	331	633	600	739	329
Encounters - Adult Clinic	576	479	486	294	230	200	267	362
Encounters - Pediatric Clinic	283	209	225	252	208	138	126	206
Behavioral Health patients	57	11	13	38	43	44	47	36
Physical Therapy	5	0	0	1	3	1	2	2

Otherwise, Mr. Danishmund advised that the Internal Revenue Service withdrew more money because of the debt and bankruptcy of the prior owner. This time, the withdrawal was \$861,000.00. While Mr. Danishmund did not ask for the balance of the advance previously approved, he did want to raise the issue with the District in case more is withdrawn and if the Hospital needed the advance in between the meetings. Before concluding, Mr. Danishmund thanked the Board for their assistance in 2025 and reminded them that they had been invited to the Hospital's annual Christmas Party held on December 19, 2025 at 7:00 p.m. in Beaumont at the Event Center.

10. Discuss and take-action, if necessary, to adopt 2026 proposed budget.

The Board was then asked to return to **Exhibit "A"** to approve the 2026 proposed budget. Since the budget was previously discussed in the Public Hearing, there was no discussion on this agenda item.

Consequently, a motion was made by Director Stramecki to the 2025 Budget set forth in **Exhibit "A"**. This motion was seconded by Director Way and unanimously approved by all the Board Members.

11. Discuss and take-action, if necessary, on approving Grant Request for 2025 and 2026.

Moving to Agenda Item No. 10, President Murrell called on the Finance Committee to review and make recommendations for the 2025 and 2026 grant request. In so doing, the Finance Committee first addressed the remaining grant request for 2025 and then moved to the 2026 grant. A summary of the grant request discussion is set forth below.

2025	
Requestor	Request
Coastal Gateway	During the discussion of Amended Budget, Mrs. Vidal explained that Coastal Gateway requested additional funds for the end of the year 2025. The amount requested was due to some adjustments to the income statement as well as some increased staffing costs.

Turning to the 2026 grant request, President Murrell asked the Finance Committee for their recommendations. Below is a summary of the discussions.

2025	
Requestor	Request
Winnie Stowell Emergency Medical Services (“WSEMS”)	<p>The request seeks continuation of the emergency transfer program grant through the 2026 grant cycle with an increase in funding from \$152,774.40 to \$175,160.00. The increase is requested to reflect cost-of-living adjustments that went into effect on January 6, 2025, by increasing the funded hourly rate for full-time Advanced EMT staff from \$17.39 per hour to \$20.00 per hour, which equates to a total adjusted funding level of \$175,160.00. The WSEMS further explains, in the requests, that although there have been prior discussions regarding a potential reduction in grant funding to account for transfer billing revenues, such a reduction would have a significant adverse operational impact. Specifically, for the period from March 2024 through March 2025, transfer billing revenues totaled \$73,237.03, and a corresponding reduction in grant funding would result in a projected financial impact of \$146,474.06 in 2026. The Request continues by stating that billing revenues are currently used to support ongoing operations, growth, and expansion, while grant funds are dedicated to staffing, and that reducing the grant would require diverting operational revenues to payroll, resulting in significant reductions to staffing levels and overall EMS operations.</p> <p>The Finance Committee recommended that the budget level remains</p>

	<p>the same and that at the next meeting, they would address the request to increase the funding.</p> <p><i>See Exhibit "G-1".</i></p>
<p>Coastal Gateway Health Center's Grant</p>	<p>During the meeting, Coastal Gateway Health Center requested that the Board modify the structure of grant funding for fiscal year 2026 by transitioning from a monthly, as-needed reimbursement model to a fixed, cumulative funding request tied to specific budget categories. Coastal Gateway requested total cumulative funding of \$1,549,185.00, broken down as follows: (i) \$1,214,592.00 for salaries; (ii) \$142,653.00 for sliding-scale and indigent services; and (iii) \$191,940.00 for outreach, enrollment, and marketing activities, as reflected in the submitted budget materials. In presenting the request, the Finance Committee noted that the clinic's final approved budget for fiscal year 2025 was \$991,071.00 and explained that the revised funding structure and increased amounts were proposed due to the District's prior practice of funding the grant on an as-needed basis. The parties further discussed that salary funding would be disbursed on a quarterly basis, with lease-related expenses paid on the first day of each month, to provide greater financial stability and predictability in clinic operations.</p> <p><i>See Exhibit "G-2".</i></p>
<p>East Chambers Independent School District ("ECISD")</p>	<p>Although the District did not have a formal grant request, the District did approve the grant funding for the East Chambers Independent School District at the same level as 2025 (i.e., \$278,165.00). The reason there were no grant requests is because the ECISD and the District have engaged in a funding agreement that continues from year to year unless one side terminates it.</p>

After the extensive discussion of the various grant requests, Director Stramecki made a motion to approve:

- Winnie Stowell Emergency Medical Services, approving continuation of the emergency transfer program grant at the current funding level, with consideration of the requested increase deferred to a future meeting.
- Coastal Gateway Health Center, approving continuation of grant funding at the existing funding level, acknowledging receipt and discussion of the proposed change in funding structure and requested increase, but not approving any increase in funding at this meeting.

- East Chambers Independent School District, approving continuation of grant funding at the same level as fiscal year 2025, in the amount of \$278,165.00, pursuant to the existing funding agreement.

This motion was seconded by Director Rollo and unanimously approved by all Directors.

12. Discuss and take-action, if necessary, on appointing a committee to oversee the opioid settlement funds and proposed program.

Previously, the Board discussed that, to qualify for opioid settlement funding from the State of Texas, the District must appoint a committee to oversee the use of those funds and ensure that expenditures comply with applicable state requirements. Accordingly, no formal action was taken by the Board on this agenda item. However, President Murrell exercised his authority to appoint the Finance Committee to oversee the opioid settlement funds and to review and monitor any proposed programs for compliance with state guidelines.

13. Discuss and take-action, if necessary, on considering incentive payments for 2025 and pay increases for 2026.

Moving to Agenda Item No. 12, President Murell called on Director Stramecki to discuss the incentive payments, salary increases and Compensation Time. Director Stramecki reported that for calendar year 2025, the Finance Committee approved a combination of incentive payments, and exceptions to the District Personnel Policy by making payments for unused Paid Time Off (“PTO”) and Compensation Time. Each employee received a five percent (5%) incentive payment based on base salary, resulting in adjusted 2025 salaries of \$78,750.00 for Mrs. Victoria Carlo; \$63,000.00 for Tina Davis; and \$33,397.05 for Keila Barron, who did not work a full year for the District.

In addition, Mrs. Carlo and Mrs. Davis requested an to the Personnel Policy and to receive a cash payment for the excess accrued PTO and compensation time.

With respect to Paid Time Off (“PTO”), the Personnel Policy provides that full-time employees may accrue PTO on a monthly basis and may accumulate up to three (3) weeks, or one hundred twenty (120) hours, of PTO. Employees may carry over up to one (1) week, or forty (40) hours, of PTO from one calendar year to the next, with any additional PTO subject to forfeiture on a use-or-lose basis. The policy further provides that, in December of each year, employees may request approval to

receive a cash payment for up to five (5) days, or forty (40) hours, of unused PTO, subject to review and approval by the District's Personnel Committee. Upon separation of employment, employees are entitled to payment for accrued PTO in accordance with the policy.

By contrast, compensatory time is governed by more limited provisions. Compensatory time applies only to exempt employees and may be accrued solely in emergency situations or with prior written approval of the Board. Authorized compensatory time accrues on an hour-for-hour basis for hours worked in excess of forty (40) hours in a workweek. Exempt employees may carry over up to two (2) weeks, or eighty (80) hours, of compensatory time from one calendar year to the next, with any additional time subject to forfeiture on a use-or-lose basis. The policy is silent as to reimbursement for excess compensation time. However, in the past, if requested, the Board has considered the requests.

Therefore, if approved, the payments for this excess PTO and compensation time would be as follows:

2025 PTO Payout

Total PTO	52.51	79.93	16.61
Payout Requested (Hours)	<u>40</u>	<u>40</u>	<u>0</u>
PTO Carryover to 2026	12.51	39.93	16.61
Payout (\$ Amount)	\$ 1,442.40	\$ 1,154.00	\$ -

2025 Compensation Time

Total Comp Time	255.41	187.5	0
Payout Requested (Hours)	<u>195.41</u>	<u>107.5</u>	<u>0</u>
Comp Time Carryover	60	80	0
Payout Requested (\$ Amount)	\$ 7,046.48	\$ 3,101.38	\$ -

Separately, effective January 1, 2026, the District approved a uniform seven percent (7%) salary increase for all staff. As a result, 2026 salaries or hourly equivalents increased from \$75,000.00 to \$80,250.00 for Victoria Carlo, from \$60,000.00 to \$64,200.00 for Tina Davis, and from \$37,440.00 annually to \$40,060.80 annually for Keila Barron. The Board noted that the uniform adjustment was intended to maintain competitive compensation levels and address rising cost-of-living considerations.

Thereafter, Director Stramecki made a motion to approve the

recommendations of the Finance Committee as set forth above. This motion was seconded by Director Way and unanimously approved by all the Board members.

14. **Discuss and take-action, if necessary to authorize any required Intergovernmental Transfers (IGTs) in support of Medicaid supplemental payment programs, including Uncompensated Care, ATLAS, QIPP, and any related or successor programs.**

Attorney Oxford reported that no action needed for this agenda item.

15. **Discuss and take-action, if necessary, to acquire the Seven Acres Jewish Senior Care Services, Inc. nursing facility.**

The Board considered the request to acquire the Seven Acres facility based on the financial, operational, and regulatory information presented for review. The materials reflected that Seven Acres is an established nursing facility with an estimated Medicaid census of approximately 26,000 days and a projected annual QIPP-related value of approximately \$280,000 under current assumptions, subject to adjustment based on final census figures and cost report data. The Board reviewed the facility's historical QIPP performance metrics, projected Year 10 component values, and anticipated net NSGO returns, as well as regulatory considerations associated with a change of ownership. In particular, the Board discussed the timing risks associated with a Change of Ownership, including the requirement that any CHOW occurring during the QIPP program period must not change the facility's classification in order to maintain eligibility, and noted that the applicable CHOW deadline for Year 10 enrollment is January 15, 2026. Lastly, the Board confirmed that the acquisition was approved, the Board was not interested in providing a CHOW Advance at this time. Based on this information, the Board evaluated both the potential financial benefits and the compliance and timing risks associated with the proposed acquisition before taking the matter under advisement.

In addition, Attorney Oxford advised the Board that the facility may be subject to existing or contemplated financing arrangements, including an accounts receivable lending facility and a loan insured or guaranteed by the United States Department of Housing and Urban Development. Attorney Oxford explained that lenders in connection with such financing typically require formal Board authorization for the execution of financing documents and, in the case of a HUD loan, advance approval of the transaction itself, including any future amendments or related financing instruments.

A motion was then made by Director Way to approve the following actions:

- The purchase of the Seven Acres facility, subject to the same terms, conditions, and limitations previously approved by the Board for the acquisition of other facilities.
- The Board further authorized the President of the District to execute and deliver any loan documents required in connection with an accounts receivable lending facility, if any, on the same terms and conditions previously approved by the Board. Such authorization expressly provides that neither (i) the District's tax revenues, (ii) any unearned QIPP funds, nor (iii) any District accounts maintained at First Financial Bank, Prosperity Bank, or Steller Bank, other than the specific facility-related accounts, may be pledged, encumbered, or otherwise made subject to collateral for such financing.
- The Board further authorized the President of the District to execute and deliver any loan documents in connection with a loan insured or guaranteed by the United States Department of Housing and Urban Development, subject to the same terms, conditions, and limitations approved for an accounts receivable lender, or similar HUD-financed transactions.

This motion was seconded by Director Stramecki and unanimously approved by all Directors.

16. Discuss and take-action, if necessary, on approving Investment Policy.

Attorney Oxford reminded the Board that the adoption of an annual Investment Policy was something they do every year. He then explained that the purpose of adopting the policy was to re-adopt the rules requiring the District's funds on deposit be collateralized and the District invest its funds in state approved investments. *See Exhibit "H"*.

Subsequently, upon motion by Director Stramecki, which was seconded by Director Rollo, the Board unanimous approval the renewal of the District's Investment Policy as proposed and set forth in **Exhibit "H"**.

17. Discuss and take-action, if necessary, on renewing agreement with Prosperity Bank to serve as a District's depository bank, and to renew bonds with Prosperity.

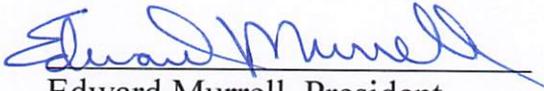
Administrator Carlo reported that no action needed for this agenda item because the agreement with the bank did not expire until the end of 2026.

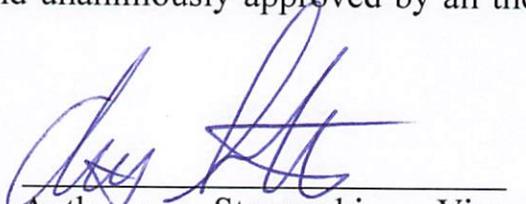
18. **Discuss and take-action, if necessary, on authorizing a resolution to close the District's account at Stellar Bank for the Spring Branch Facility.**

Mrs. Carlo was called upon to discuss Agenda Item No. 18. Mrs. Carlo explained that the District no longer owns the Spring Branch facility but continues to maintain bank accounts for the facility at Stellar Bank. The accounts have not yet been closed because the facility has continued to receive payments. Mrs. Carlo advised that she anticipates receipt of the final payments soon and requested authorization to close the accounts once all payments have been received and the facility confirms that the accounts are ready for closure. She then presented the Board with a proposed resolution to sign authorizing the closure of the Spring Branch accounts. *See Exhibit "I"*

Upon motion duly made by Director Stramecki and seconded by Director Way, the approved the resolution set forth in **Exhibit "I"** that authorizes the Spring Branch accounts to be closed at a time when they are no longer needed.

At the end of the discussion of the agenda items, President Murrell called for any other such matters before the Board. There being none, the Board then confirmed the date for the next Regular Meeting to be on January 21, 2026. A motion was then made by Director Stramecki at 8:11 p.m., to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board Members present.


Edward Murrell, President


Anthony Stramecki, Vice-President