Called to order at 7:01 a.m. by Finance Committee Chair, Dr. Bob Urata.

Finance Committee & Board Members: Dr. Bob Urata (Chair), Kenny Solomon-Gross, Marshal Kendziorek

Staff: Kevin Benson, CFO, Chuck Bill, CEO, Billy Gardner, COO, Rose Lawhorne, CNO, Blessy Robert, Director of Accounting and Anita Moffitt, Executive Assistant

Introductions - Mr. Benson introduced Blessy Robert, Director of Accounting. Ms. Robert replaced recently retired, Karen Taug.

Approval of the Minutes – Due to a lack of quorum, the minutes were not approved.

June 2019 Finance Review – Mr. Benson noted that June marked the end of the Fiscal Year. He reported that 2019 was a challenging year both operationally and financially but the year ended on a strong note achieving a Net Income of $1.5 Million. Inpatient days in June were 12% greater than budget and overall Outpatient volumes were strong. Hospital revenues were $800,000 greater than budget. Physician revenues exceeded budget by $319,000. Net patient revenue finished at 2.9% in excess of budget. Expenses exceeded budget by 35.8%, however $2.2 million was a recording of PERS expense to reflect the On-Behalf funding by the State of Alaska. The expense is offset by recording the funding in Other-Operating revenue. This resulted in an Operating loss of $234,000. Interest Income had been understated throughout the year. The Final Net Income was $1,515,000. On a year to date basis BRH has a Net Income of $2,881,000 and is 13% behind budget target. Year to date income from Operations is -3.2% while the final Net Income is 2.84%. Capital spending through June 2019 was $3,603,109 of the $7,721,602 budgeted. Discussion was held regarding why capital spending is so far below budget.

Capital Projects - Mr. Gardner provided an overview of multiple time sensitive unbudgeted and under budgeted capital projects to be completed that require Board approval.

- ASU-11 Supply Fan Upgrade – This will address issues regarding upgrades to air ventilation rate requirements in the surgical operating suites. Currently, if ASU-11 fails, all surgery suites will have to be shut down until repairs or replacements are made. Replacing SF-11 with a pair of plenum style fans would allow for a higher air flow rate and would offer a redundancy that is currently not present. There is an estimated 5 month lead time to get equipment built and shipped to Juneau and it is estimated that the OR will be closed for 5 days for installation. For minimal OR time loss, the target date to do this upgrade is President’s Day weekend. The C-section suite in OB will be used for emergency surgeries during this closure.
- Endoscopy Workroom Ventilation Upgrades – This project will run concurrent with the ASU-11 Supply fan upgrade. This upgrade is necessary to meet ventilation regulation compliance.
- Lab Ventilation and Cooling Upgrades – Due to the lab’s location directly above the facility boiler room, heat transfer through the floor makes the average floor temperature in the lab 83
degrees with some places reaching 91 degrees. Not only are these temperatures uncomfortable for the employees, sensitive laboratory supplies are damaged due to excessive temperatures. The upgrade will eliminate or significantly reduce the heat load in the floor and ensure that full design air flow can be supplied to the space throughout the year. These improvements should allow the existing ventilation/cooling system to function as originally designed and maintain the space at the desired temperature set point.

- Chiller No. 2 Replacement – The existing water chiller #2 has reached the end of its useful life. Continuing to rely on the unit will lead to increasing maintenance costs and reduced reliability.
- ASU-1 Heating Coil Upgrade to Glycol – This project is to upgrade the heating loop at the main heating coil for ASU-1 to an antifreeze loop to prevent coil damage from freezing conditions. This heating coil supplies heat to one third of the main hospital and to multiple floors so it is imperative to minimize the risk of coil failure.
- Central Sterilization Room (CSR) Upgrades – This project allows for the addition of an Ultrasonic Ophthalmology Instrument cleaner, a new triple sink, sterilizer, sterilizer pumps and a new pass through window to the CSR.

The $785,000 shortfall in budgeting for these projects will be funded by projects that will not be completed this year. The total capital budget spending will not be exceeded.

Future projects include:

- Stairwell doors replacement – Current designs pose safety risks. We are looking at new design solutions and will have pricing soon.
- After-hours main hospital lockdown – To address safety concerns and reduce vandalism, there is a plan to install badge readers on all entrances into the main hospital for after-hours use.
- ER Waiting Area/PAS Desk – Due to recent events and to ensure the safety of our employees, construction designs and costs are being obtained to enclose the registration desk in the ER. The design must adequately address safety concerns while still maintaining a presence in the ED waiting area. A discussion was held about increased violence of patients and visitors and the need to address safety and security concerns.

Due to a lack of a quorum, action was not taken on these capital projects. Dr. Urata will make a recommendation to the full board to approve these projects at the August 27th Board of Directors meeting. Mr. Kendziorek and Mr. Solomon-Gross expressed their support of approval of the capital projects identified.

**Next Meeting:** September 11, 2019 at 7:00 a.m. in BRH Boardroom

**Adjourned – 7:43 a.m.**