

McDonough District Hospital  
Board of Director's  
Finance Committee

McDonough District Hospital (MDH) Finance Committee met on Thursday, October 17, 2024, at 7:00 a.m. in the third-floor Board Room. Finance Committee members present: Scott Clauson, Jere Greuel, Dave Garner, Dan O'Neill, Kathleen Neumann, Dr. Tim Biagini, and Todd Lester. Hospital Administration members present were Bill Murdock and Sherri Hitchcock, and administrative Assistant: Kim Thorman. Guests: Dr. Curt Farr, Dr. Mary Kathleen Lockard, and Alexis Vonholt.

Scott Clauson, Chairman of the MDH Finance Committee, called the meeting to order at 7:00 a.m.

There was no public comment at this time

**Revisit Tax Levy (Discussion only)**

Sherri Hitchcock, CFO, brought this topic back to the committee for discussion as is held each year. There was an agreement amongst the committee that more information should be collected regarding the impacts and implications in order for discussions to be more productive, and the topic will continue to be revisited yearly.

**1<sup>st</sup> Quarter FY25 Financial Performance**

The Q1 financial overview was presented to the committee which detailed net operating revenues, expenses, statistics and ratios for comparisons to FY24. Updates were given regarding days cash on hand, and debt service coverage ratios and targets. Agency staffing and the cost of locums were discussed. Additionally, net operating incomes, clinic visits, daily census reports, lab tests, surgery cases, ER visits and variances to budget were shared, and the driving factors for variances were discussed.

Dr. Biagini left the meeting at 7:32 am.

**1<sup>st</sup> Quarter FY25 Capital Spend Update**

Capital expenditures over \$25k were shared, and totals were broken down by the actual spend on current fiscal, and prior fiscal year projects. The variance and drivers to those variances both favorable and unfavorable to the budgets were noted.

**Financial Stability & RSM Margin Improvement Plan Update**

The processes taking place for the financial stability and improvement plan were reviewed. Sherri updated the committee on the RSM Margin Improvement plan by breaking down RSM's findings and the recommendations made by RSM to ensure long term margin improvements. The timeline of the margin improvement plan was shared, as well as the positive financial impact these improvements should make. The internal projects that are taking place to improve financial stability across the organization were also shared.

At 7:57 am Dr. Lockard left the meeting.

**Update on the Request For Proposals for Audit Firms**

Sherri shared the names of the auditing firms that RFPs will be going out to. The firms were chosen based on the recommendations of area hospitals, and the reputations of each firm. The committee showed no reservations about the firms we will propose, but it was suggested to also send an RFP to our current auditing firm.

**IRS ERC Update**

Sherri gave an update to the committee that a new IRS auditor is reviewing our application for the second installment of the Employee Retention Credit, and an interview with the auditor has been scheduled.

**Miscellaneous / Items for Discussion**

Bill Murdock shared that MDH has hired two new physicians. Dr. Leilani Segura is a pediatrician and will join MDH Pediatrics on October 21, and Dr. Michael Waters is a family medicine physician, and will join MDH Family clinic on January 6, 2025. Jere shared that he has been working on the CEO assessments and will be taking those to the Administrative Committee.

**At 8:13 am a motion was made by Dave Garner, and seconded by Dan O’Neill to move into Executive Session for the purpose of 5 ILCS 120/2 (C) (17)**

A roll call vote was taken

	<u>Yea</u>	<u>Nay</u>
Clauson	x	
Garner	x	
Greuel	x	
Neumann	x	
O’Neill	x	

At 8:30 am, the meeting returned to open session with Scott Clauson, Dave Garner, Jere Greuel, Kathy Neumann, Dan O’Neill, Dr. Curt Farr, Todd Lester, Bill Murdock, and Kim Thorman present. The committee briefly discussed Critical Access Hospital designation.

**At 8:33 am, there being no further business to discuss, a motion was made by Dave Garner, and seconded by Jere Greuel, to adjourn. Motion carried.**

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Scott Clauson  
Secretary/Treasurer of MDH Board of Directors