REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
MAY 26, 2026 @ 5:15 P.M.

Minutes

IN ATTENDANCE:
Philip Blackburn, President
David Schaefer, Vice-President
John McLaren, Secretary
Rikki Leigh Willoughby
Ahammed Hashim, M.D.
Almarie Henderson Shumate / Zoom
Pamela Wheeler

MEDICAL STAFF:
Ryan Head, M.D.

ALSO IN ATTENDANCE:
Rhonda McCabe, CEO
James Pool, Interim CFO
Noella Crayton, Compliance Officer / Zoom
Robert Spurck, Legal Counsel / Zoom
Lisa Miller, CAPTRUST / Zoom
Ella B. Nobles, Operations Manager

1. CALL TO ORDER
Philip Blackburn called the scheduled board meeting to order at 5:17 P.M.

2. WELCOME VISITORS
Philip Blackburn welcomed all the visitors.

3. COMMENTS FROM THE AUDIENCE

Public comments on any topic at regular monthly Board meetings are encouraged. Individuals who wish to speak during the public comment portion of the meeting must sign in before the meeting. Lisa Rocca.

Ms. Lisa Rocca addressed the Board during the audience comment portion of the meeting. Ms. Rocca expressed disappointment regarding the transition of hospital operations to another organization and stated her belief that administrative decisions contributed to the circumstances leading to the transition. She encouraged hospital staff during this period of change and concluded her remarks by sharing the quote, "Sometimes nothing good happens to you because you are the good."

4. ADMINISTRATIVE REPORTS – INFORMATION ONLY

4.1 Report From the CEO

Ms. McCabe was glad to see everyone returned safely from the holiday and hopes everyone had a wonderful Memorial Day weekend.

Tenet Transition – August 11, 2026 (77 days remaining)

- Job fair held May 5–8 for positions transitioning to Tenet employment.
- Outsourced departments (EVS and Dietary): Conifer and LifePoint have not yet posted positions.
- Bi-weekly NMC newsletter has been distributed; copies are available at your desks.

Staffing Update
We continue to experience significant staffing challenges and are making necessary adjustments to certain services. Since the agreement was signed in February, we have had over 70 resignations or employees transitioning to PRN status.

To put this into perspective, in my 26 years as a hospital executive since 2020, this is the most challenging staffing environment I have encountered. We are committed to maintaining hospital operations through August 11; however, each day presents increasing difficulty.

Positive Note
We did celebrate Hospital Week (May 10–16). Thank you to the Board members who attended and supported our staff, the Foundation, and our volunteers.

Upcoming Meetings

- June 16 – Executive Committee Meeting
- June 23 – Regular Scheduled Board Meeting

4.2 Report From CFO

Financial Summary – 2026:

Mr. Pool submitted the CFO Report and provided updates on the following items:

- **Nacogdoches County Hospital District Average FTE by Month**, highlighting monthly staffing trends, including the highest and lowest FTE levels.
- Review of the **July 1, 2025 Actuarial Report for Funding the Memorial Hospital Defined Benefit Plan**, which was utilized in support of the Fiscal Year 2024 External Audit.
- Update on the transition to a new **Third-Party Administrator and Record Keeper**. The project remains on schedule, with an effective date of **January 1, 2027**.
- Review of **Benefit Investment Performance** for the period of **July 2025 through April 2026**, reflecting:
  - **9.48% investment earnings**
  - **6.75% target return**

CAPTRUST Risk Tolerance & Investment Survey

Mr. Pool also presented information regarding the CAPTRUST Risk Tolerance & Investment Survey. The purpose of the survey is to collect individual perspectives on pension plan risk tolerance, investment strategy, and funding priorities to assist the Retirement Committee and Board in future discussions.

Key points included:

- Survey responses will be analyzed in aggregate form only.
- Individual responses will remain confidential and will not be attributed to specific participants.
- Board members were encouraged to provide their independent perspectives.
- There are no right or wrong answers, and participants should answer based on their own judgment.
- Participants may select "Unsure" when appropriate and should focus on long-term strategy rather than technical details.

- The estimated completion time is approximately **10 minutes**.

The survey was distributed to NCHD Board Members on **May 26, 2026**, with responses due by **June 1, 2026**.

An update regarding the Appeal Letter will be discussed during Executive Session.

A copy of the CFO presentation will be attached to and made part of these minutes.

4.3 Report from Compliance Officer

- Compliance Report for the 3rd and 4th quarter of 2025 will be presented in Executive Session. No Motion was made.

5. DISCUSSION AND POSSIBLE BOARD APPROVAL OF CONSENT AGENDA

Any board member may request that any or all of the items on the consent agenda be removed and considered as a separate item. If no such request is made, all items on the consent agenda may be approved by a single action.

- **5.1** Minutes of Regular / Special Board Meeting
- **5.2** CFO Financial Report

The motion was made by John McLaren to approve Consent Agenda items 5.1 and 5.2. In addition, to accept the Actuarial Valuation Report from Nicolay given by James Pool in the Financial Report. The motion was seconded by Ahammed Hashim, M.D., and the board approved.

6. REPORT FROM MEDICAL EXECUTIVE STAFF COMMITTEE REQUIRING DISCUSSION, UPDATE, DELIBERATION, ACTIONS, AND/OR POSSIBLE APPROVAL

6.1 Request for Approval of Medical Staff Appointments and Privileges

Ryan Head, M.D, gave the Medical Staff Report. A motion was made by John McLaren to approve the Medical Staff Appointments and Privileges. The motion was seconded by Pam Wheeler, and the board approved.

7. UPDATE FROM RETIREMENT COMMITTEE DISCUSSION AND POTENTIAL APPROVAL OF RETIREMENT COMMITTEE MEETING MINUTES.

Philip Blackburn made a motion to accept the minutes from March 27, 2025. Motion seconded by Rikki Leigh Willoughby, and the board approved.

8. DISCUSSION AND POSSIBLE APPROVAL OF A LIMITED WAIVER TO CERTAIN TERMS OF THE COMPANION AGREEMENT TO THE HOSPITAL FACILITY LEASE AGREEMENT.

The motion was made by David Schaefer to approve the redlined version of the Limited Waiver Companion Agreement. The motion was seconded by Philip Blackburn, and the board approved.

9. THE BOARD WILL MEET IN CLOSED SESSION (AS APPLICABLE) PURSUANT TO:

- Tex. Gov't Code §551.071, .129 (consultation with attorney).
- Tex. Gov't Code §551.074 (deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee).
- Tex. Gov't Code §551.076, .089 (deliberation on security issues).
- Tex. Gov't Code §551.078, .0785 (deliberation involving confidential patient medical records).
- Tex. Gov't Code §551.085 (deliberation on contract negotiations for services or product lines and relating to a proposed new service or product line).
- Tex. Health & Safety Code §161.031, .032 (disclosure of medical information and peer review).

10. CONVENE TO EXECUTIVE SESSION
Meeting convened in Executive Session at 6:01 P.M.

11. RETURNED TO OPEN SESSION
Meeting returned to Open Session at 6:46 P.M.

12. BOARD REQUEST FOR NEW INFORMATION AND/OR REPORTS
An individual Board member may request a report or new information at a regular Board meeting by a majority vote of the Board. No changes were made.

13. ADJOURNMENT
Motion made by John McLaren to adjourn the meeting. The motion was seconded by Rikki Leigh Willoughby, and the board approved. Meeting adjourned at 6:47 P.M.

Philip Blackburn

Philip Blackburn, President

John McLaren, Secretary