MINUTES: Approved by Committee on December 30, 2025

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
November 25, 2025

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, November 25, 2025, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Darrell Petersen, Ron Rader, Steve Rutledge

Excused: None

Required Staff: Steve Barron (CEO), Angie Brady (CNE), Daniel Heckathorne (CFO), John Peleuses (VP, Ancillary & Support Services), Ariel Whitley (Executive Assistant), Annah Karam (CHRO), David Imus (Wipfli), Connie Cornwall (HIM Manager)

<table>
<tr><th>AGENDA ITEM</th><th>DISCUSSION</th><th>ACTION / FOLLOW-UP</th></tr>
<tr><td>Call To Order</td><td>Susan DiBiasi called the meeting to order at 9:01 am.</td><td></td></tr>
<tr><td>Public Comment</td><td>No public comment.</td><td></td></tr>
<tr><td colspan="3">OLD BUSINESS</td></tr>
<tr><td>Proposed Action - Approve Minutes

October 28, 2025, regular meeting</td><td>Susan DiBiasi asked for any changes or corrections to the minutes of the October 28, 2025, regular meeting. There were none.</td><td>The minutes of the October 28, 2025, regular meeting will stand correct as presented.</td></tr>
<tr><td colspan="3">NEW BUSINESS</td></tr>
<tr><td>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – October 2025</td><td>Daniel Heckathorne, CFO, reviewed the Unaudited October 2025 finance report.

The month of October resulted in a negative $1.02M EBIDA compared to budgeted negative EBIDA of $593K. Overall Surplus was a negative $1.35M compared to the budgeted negative Surplus of $800K.

ROLL CALL:

<table>
<tr><td>DiBiasi</td><td>Yes</td><td>Petersen</td><td>Yes</td></tr>
<tr><td>Rader</td><td>Yes</td><td>Rutledge</td><td>Yes</td></tr>
</table>
Motion carried.</td><td>M.S.C. (Rutledge/Rader), the SGMH Finance Committee voted to recommend approval of the Unaudited October 2025 Financial Report to the Hospital Board of Directors.</td></tr>
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<tr><th>AGENDA ITEM</th><th>DISCUSSION</th><th>ACTION / FOLLOW-UP</th></tr>
<tr><td>Proposed Action – Recommend Approval to Hospital Board and healthcare District Board – Renewal of 3M/Solventum Z Patient Chart Coding Software Contract</td><td>Connie Cornwall, HIM Manager, recommended approving the one-year renewal of the coding software contract, opting for a short-term contract to seek better pricing through Tenet. Software was recently upgraded to a cloud version, and the vendor has agreed to prorate fees if a lower rate is negotiated mid-term.

ROLL CALL:
<table><tr><td>DiBiasi</td><td>Yes</td><td>Petersen</td><td>Yes</td></tr><tr><td>Rader</td><td>Yes</td><td>Rutledge</td><td>Yes</td></tr></table>Motion carried.</td><td>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Renewal of 3M/Solventum Z Patient Chart Coding Software Contract to the Hospital and Healthcare District Board of Directors.</td></tr>
<tr><td>Proposed Action – Recommend Approval to Hospital Board – Adopt Resolution No. 2025-02</td><td>The Hospital is looking to add a Visa credit card with a $25,000 limit alongside the existing Amex to improve vendor payment flexibility.

ROLL CALL:
<table><tr><td>DiBiasi</td><td>Yes</td><td>Petersen</td><td>Yes</td></tr><tr><td>Rader</td><td>Yes</td><td>Rutledge</td><td>Yes</td></tr></table>Motion carried.</td><td>M.S.C. (DiBiasi/Rader), the SGMH Finance Committee voted to recommend the adoption of Resolution No. 2025-02 to the Hospital Board of Directors.</td></tr>
<tr><td>FY 2025 Financial Audit Update</td><td>David Imus, CPA, reported that the 2025 financial audit is substantially complete but is pending a wavier from the bank to address debt covenant related concerns, without which the audit cannot be signed off. Tenet is finalizing line of credit documents needed by the bank to approve payoff of the existing debt.</td><td></td></tr>
<tr><td>CEO Report</td><td>Steve Barron reported that Michele Finney will fill in as the Interim CEO. He also mentioned that a couple of items will be included on the Hospital and District Board agenda that are pending.</td><td></td></tr>
<tr><td>Future Agenda Items</td><td>• Guidehouse presentation</td><td></td></tr>
<tr><td>Next Meeting</td><td>The next regular Finance Committee meeting will be held on December 30, 2025 @ 9:00 am.</td><td></td></tr>
<tr><td>Adjournment</td><td>The meeting was adjourned at 10:18 am.</td><td></td></tr>
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In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant