

*Second.* The reality. COVID has us all concerned. Both in trying to avoid getting (or giving) it and in what it is doing to our business. Through restrictions on what we CAN do to patients wisely choosing what they WANT to do, we, as with most, are facing a reduction in business. While we are happy to stay open to the extent necessary to continue treating our patients, we find that about half of our business has dropped. With half of the revenue projected to be gone, there follows the need to reduce our expenses enough to survive through this and still come out healthy on the other end. We requested an immediate economic prediction for the impact on the clinic if the 50% reduction continued for 2 months. Some of our expenses (rent, utilities) are fixed while some (supplies, wages) are variable. We project that we need to cut, among other things, employee hourly expense by 25% to weather the dramatic decrease in revenues. Hence, the request we have made of your Directors and Supervisors to work with each department on how that can happen. This is a requested 'average' expense reduction. Some areas, naturally, will drop by much more than this while other areas which can remain productive will drop less.

We have intentionally not been specific about how to get to the goal of 25% reduction of all Tanner Clinic employee wages. There are no exempt departments or employees; all are subject to reviewing ways to reduce. We know that each department is unique and we want supervisors and managers to have full flexibility to get to assist in the 25% reduction in the least disruptive way possible. For some this may mean furloughs for others over-all reduction in hours. In all cases we wish management to work in their areas and with the physicians to meet this goal. Please note that a 25% reduction for April and May equates to only a 4.2% annualized drop in wage. Considering the magnitude of the challenge