

**Tomball Hospital Authority
Board of Directors
March 23, 2016**

Present: Jack Smith, Chairman
Ellen Stutts, Secretary
Jerry Till, Treasurer
Ralph Foxworthy
Jim Ross
Tom Kikis
Bill Hogue
Latrell Shannon

Absent: Vicki Clark
Danny Marburger, VP
Steve Vaughan
Marilyn Kinyo (Chief Administrative Officer)

Also Present:
Lynn LeBouef (CEO)
Vincent Norris (Myrtle Cruz)
Kevin Reed (Reed, Claymon, Meeker & Hargett)
George Shackelford (Tomball City Manager)

Tomball Hospital Authority Board Meeting

Call to Order

Jack Smith, Chairman of the Board, called the meeting to order at 4:02P.M. CST on Wednesday, March 23, 2016.

1. Approval of minutes from the February 24, 2016 board meeting. A motion was made by Bill Hogue and seconded by Danny Jerry Till to approve the meeting minutes from the February 24, 2016. The motion was unanimously passed.
2. Community Input – There was no community input
3. Financials
 - a) An update on the financials was given by Vincent Norris for February 2016. He reviewed the balance sheet - cash total \$473850.79, investments were down little to \$81,469,006.28, with a total for the month of \$81,942,857.07 for February 2016. Total liabilities and equities for the month were \$82,066,041.36. Lynn reported that current investments as of midnight last night were up to \$85,023,246.90. Lynn also reported that we may only owe a portion of the 2012 Medicaid liability of \$2,045.00 because that was the year we sold the hospital. He is waiting on an invoice from the Hospital before payment Vincent went on to review the P&L statement. Total income of \$2,471,577.44 total expenses of \$412,791.04 and net ordinary income of \$2,058,786.40, net income of \$-7,295,935.69. Vincent presented and reviewed the cash report which had no major changes or expenses. On the P&L Budget performance report there was no significant change. A motion was made by Latrelle Shannon and seconded by Ellen Stutts to approve the cash reports as presented. After discussion, the motion carried unanimously.

Then Lynn advised the board that towards the end of the month of March/early April we will need to dip into the investments for projects and expenses. The Workman's Comp claims will be going up. February bill for Workman Comp claims is over \$29,000 due to one claim for pain pump replacement and we have one individual that is now requiring 24 hour care. The totals for 24 hour care will be \$13,000 - \$14,000 per month in care and meds. Lynn will update the Board at the next Board meeting.

A motion was made by Tom Kikis and seconded by Jerry Till to approve the Budget performance report as presented. After discussion, the motion carried unanimously.

Lynn also reviewed the Flash Report on our investments for February, 2016

- b) Legal Bills – A motion was made by Ellen Stutts and seconded by Latrelle Shannon to approve the outstanding legal bill to Reed, Claymon, Meeker and Hargett in the amount of \$2,222.50 for February and March 2016. After discussion, the motion was unanimously passed.
4. A brief update on the TOMAGWA dental clinic was handed out to the board for February 2016. They budgeted to see 333 patients in the month of February and actually saw 461. They were up from last month's reported visits.
5. The Finance Committee Minutes of March 21, 2016 were reviewed which included a review of the following proposals for Custody/Investment Management:
 - a) US Bank Custody Agreement
 - b) Wells Fargo Custody Agreement
 - c) Wells Fargo Nonprofit Service Agreement for Custody and Investment Management
 - d) Wells Fargo Nonprofit Service Agreement with Non-Managed Assets AddendumA motion was made by Ellen Stutts and seconded by Tom Kikis to approve the Wells Fargo Nonprofit Service Agreement with Non-Managed Assets Addendum. This allows us to transfer our assets "in-kind" for a period of up to 180 days, allowing us to monitor the market and transfer the assets to the Wells Fargo recommended portfolio to minimize any potential realized loss on our portfolio. It was also noted that proposals were sought from Comerica and Edward Jones, but they did not respond. After discussion, the motion carried unanimously.

A proposal was reviewed from JP Morgan to convert from the 20+ funds we are currently invested in to 3 funds and to revise our current investment policy. The Finance Committee reported that they did not approve this request. No action required.

A Board Resolution was presented authorizing the execution of documents to move the portfolio to Wells Fargo under the approved Wells Fargo Nonprofit Service Agreement with Non-Managed Assets Addendum. A motion was made by Tom Kikis and seconded by Latrell Shannon to approve the presented Board Resolution. After discussion, the motion carried unanimously.
6. Dr. Khan's thought that \$5,000 to cover all legal and filing fees related to the release of the property was too high. This was tabled from last month. Dr. Khan countered with a proposal of \$2,500.00 to remove the restrictions. A motion was made by Ralph Foxworthy and seconded by Jim Ross to deny the counter offer. After discussion, the motion carried unanimously. It will be communicated to Dr. Kahn that the Authority is firm on the \$5,000.00 to remove the restrictions.
7. FEMA – No update to report.

Adjournment

There being no further business, the meeting was adjourned at approximately 5:20 P.M. CST.



Ellen Stutts, Secretary