Tomball Hospital Authority
Board of Directors
November 16, 2016

Present: Jack Smith, Chairman
Danny Marburger, VP
Jerry Till, Treasurer
Tom Kikis, Secretary
Vicki Clark
Ralph Foxworthy
Bill Hogue
Jim Ross
Latrell Shannon
Lori Wilson

Absent: Steve Vaughan

Also Present: Marilyn Kinyo (Chief Administrative Officer)
Lynn LeBouef (CEO)
Vincent Norris (Myrtle Cruz)
Kevin Reed (Reed, Claymon, Meeker & Hargett) - Telephonically
George Shackelford (Tomball City Manager)

Tomball Hospital Authority Board Meeting

1. Call to Order
   A. Jack Smith, Chairman of the Board, called the meeting to order at 4:01P.M. CST on Wednesday, November 16, 2016.

2. Approval of minutes from the October 26, 2016 board meeting. A motion was made by Lori Wilson and seconded by Danny Marburger to approve the meeting minutes from the October 26, 2016. The motion was unanimously passed.

3. The Oath of Office was administered to Ralph Foxworthy. He was reappointed by City Council in September.

4. Brad Monahan from BKD began by going through the narrative letter. In that letter it explains the responsibilities of the auditor’s under the Auditing Standards. He goes on to report that there are no matters to report on the financial statement disclosures, audit adjustments, Authority’s accounting principles, or disagreements with Management. The significant issue discussed with management was the reserves for self-insurance for professional liability and worker’s compensation.

He then went on to go through the report on the audited financial statements for the year ending June 30, 2016. He went through their responsibilities under professional standards as well as accounting policies, any adjustments that were made and uncorrected misstatements. Brad then went on to report on the results of the 2016 audit. The only difficulties encountered in performing this audit were that when the investments were transferred to the new investment firms were not recognized at the current fair values. The financial reporting risks and issues found in this review are the items that were communicated under management judgements and accounting estimates and the risk of management override of controls.
The Management’s Discussion and Analysis is new to the audit this year. Brad then went on to review the financial highlights, investment portfolio and the project expenses. He then went on to review the financial statements.

A motion was made by Tom Kikis and seconded by Vicki Clark to approve the draft report as presented. The motion was passed unanimously.

5. Community Input – George Shackelford was asked about the workshop between City Council and the Authority Board Members and where the lists of questions that the Council had were and what the format of the meeting will be. Jack went on to tell him that Lynn will make the presentation that he made at the September board meeting to the City Council members. He also said that if the workshop turns hostile we will leave.

6. Financials
   A. An update on the financials was given by Vincent Norris for October 31, 2016. He reviewed the balance sheet - cash total $181,737.30, investments were down a little to $87,934,597.93, with a total for the month of $88,116,335.23 for October 2016. Total liabilities and equities for the month were $88,215,862.91. Lynn reported that current investments as of midnight last night were at $88,052,064.63. Vincent went on to review the P&L statement. Total income of $452,278.03 total expenses of $204,216.99 and net ordinary income of $248,061.04 net income of $803,799.19. Marilyn presented and reviewed the cash report. No major changes.

   Lynn also reported to the board that the employee health insurance for 2017 will be going up 18.9%. The board all discussed how their companies were all going up as well and anticipated it would be the same for the Foundation.

   B. Legal Bills – No legal bills for November.

   C. The board discussed that it is time to m

   D. Outstanding Obligations of the Authority for November 2016
      A.) FEMA – Nothing to report this month. Kevin is going to look into the statute of limitations on how long this can go on.

7. An update on the TOMAGWA dental and medical clinics was handed out to the board for October 2016. The dental clinic budgeted to see 333 patients in the month of October and actually saw 447. The medical clinic budgeted to see 800 patients in the month of October and actually saw 1132. They were both up for the month.

8. Funding Committee Updates
   A. Montgomery County Youth Services request – MCYS is requesting $65,000 to fund the salary and benefits for a Spanish speaking mental health counselor to provide services to the youth served at the Magnolia Office. This office also serves youth from Tomball and Waller. Counseling will include; individuals, family, and group counseling sessions to assist the young people to cope with depression, anxiety, problems with relationships, school problems, etc. The parents will learn effective parenting skills to strengthen the family and help the youth stay in school.

      The board discussed the proposal and agreed with the funding committee that this contract will be good for one year and then they can reapply after that. A motion was made by Vicki Clark and was seconded by Tom Kikis to approve $65,000 for bilingual counselor. The motion was carried unanimously.

   B. Northwest Assistance Ministries (NAM) - They are requesting $75,000 in funding to provide Meals on Wheels services to over 340 residents living in Tomball and Waller. They will provide needed services to homebound senior citizens and the disabled residing in Waller and Tomball.
NAM has the necessary funding to cover the cost of daily hot meals, but need additional revenue to provide for other seniors needs. These additional services include case management, home visits, shelf-stable meals, frozen meals, ensure, medical equipment, heaters, fans, etc. These things are essential to maintain optimal health and to ensure that seniors are not faced with premature placement in a nursing facility. The board discussed what a worthwhile and great program that this would be for the community and how they would like to participate. A motion was made by Danny Marburger and was seconded by Jerry Till to approve the funding for NAM. The motion was carried unanimously.

C. TOMAGWA Grant Writer - $70,000.00 was requested. $60,500.00 salary, Taxes - $4,590.00. Benefits - $4,910.00. The board reviewed the funding request and it appears that this person will also be an assistant to the Development Director. As Jim Ross pointed out this is not what we had discussed. The position was to be a full time grant writer. The board had concerns with some of the verbiage in the Job Description related to making appointments and effectively managing the calendar for the Development Director, Foundation Officers, and Foundation Trustee’s. They felt this was more of a “secretary role” than a full-time Grant Writer. The request was denied.

D. Community Health Needs Assessment – This is required by the IRS for non-for-profit hospitals. This does not pertain to the Foundation but this will be helpful information that we can use to serve the Community better. The board looked over the three proposals and came to the agreement that the Baker Tilly was the best fit. A motion was made by Lori Wilson and was seconded by Danny Marburger to contract with Baker Tilly for the needs assessment. The motion was carried unanimously. We will have a representative from Baker Tilly at the Board meeting in January to answer any questions that the board may have.

9. The board briefly went on to discuss that our lease on the office space will be up in October of 2017. Lynn asked Bruce what the proposed rent would be if we stayed in the current space and he is supposed to be getting back to him soon. If we are going to move we need to start the process of finding other possible locations. Ralph Foxworthy said that for him to vote for us to build a building for our office that all the i’s would have to be dotted and t’s had to be crossed.

10. A motion was made by Latrell Shannon and was seconded by Vicki Clark to give the Executive Committee authorization to approve and pay any bills/invoices in the month of December. The motion was carried unanimously.

The Executive Committee will meet on December 15th in the office.

Adjournment
There being no further business, the meeting was adjourned at approximately 5:10PM CST.

[Signature]
Tom Kikis, Secretary