

Tomball Hospital Authority DBA Tomball Regional Health Foundation
Board of Directors Minutes – April 24, 2024

Present: Jim Ross-Chairman, Tom Kikis-Vice Chairman, Vicki Clark-Secretary, Sharon Frank, Bill Hogue, Danny Marburger, TJ Tijerina, Lori Wilson, Margarette Yacoubian

Present Via Zoom: Christina Nash-Treasurer, Jack Smith

Absent: None

Also, Present: Jeffrey Klein-CEO, Sarah Dill-Administrative Manager, Randy Parr-City of Tomball, Russell Kent, Melissa Greer, Paul Lebouef-all with Wells Fargo, Anna Stevens and Matt Rogers-both with Weaver

Also, Present Via Zoom: Kevin Reed-Attorney with Reed Claymon

I. Call to Order: Jim Ross called the meeting to order at 4:01 pm and read the Foundation's Mission Statement.

II. Approval of Minutes: March 27, 2024, Board Meeting Minutes were reviewed. *A motion was made by Lori Wilson to accept the March 27, 2024, Minutes and seconded by Sharon Frank. Motion carried.*

III. Community Input: City of Tomball Councilman, Randy Parr, updated the Board that there are two City Council positions open and encouraged everyone who lives in the city to vote.

IV. Monthly Financial Reports:

A. Financials- Jeffrey reviewed the March 2024 Balance Sheet and Profit and Loss Sheet. Total assets as of March 31, 2024, were \$135,052,523.08. Expenses are \$75,000 under budget, but it is early in the year. Jeffrey also reviewed the larger transactions on the cash report. Jeffrey confirmed with Phil Cummings with Creative Risk Funding that the Workers Compensation Reserve of \$260,302 is still needed. *A motion was made by Vicki Clark and seconded by TJ Tijerina to accept the March 2024 financials. Motion carried.*

B. New Bookkeeper, Lori Ivey, Introduction-Lori had a last-minute transportation issue, so we will reschedule for the May Board meeting.

C. Wells Fargo reviewed the March Portfolio and gave the quarterly review. Russell Kent reported that our portfolio is up 23% over the last 12 months and that the annualized return is 8.72% since inception, June 2016, gaining over \$71 million. Bonds are still up and Equities are up 34.5% over the last 12 months. The current Equity allocation is 66%. TJ Tijerina requested an expanded holdings statement from Wells Fargo. He also asked if the monthly funds transfer is pulled from cash or if we typically sell off equities. Russell confirmed that they keep 3% cash available to cover transfers and that there is no selling of equities at this time to meet the cash needs. Fortunately, the portfolio is generating well in excess of what is being spent.

- D. Funds Transfer-** Jeffrey requested the monthly funds transfer of \$100,000 from Wells Fargo to Frost Bank on May 1, 2024. *A motion was made by Tom Kikis and seconded by Vicki Clark to approve moving \$100,000 from Wells Fargo to Frost Bank. Motion carried.*
- E. Weaver Audit Review-** Matt Rogers presented the results of the audit for the period beginning July 1, 2022, and ending December 31, 2023. TRHF transitioned the fiscal year to match the calendar year resulting in an 18-month audit. Matt reviewed the Responsibility Statement as well as the bound report. Matt also pointed out that it will take two years to get back to a comparative based on the calendar year change. The net position as of December 31, 2023, was \$124,534,540 an increase of \$18,774,837 from the previous fiscal year end, June 30, 2022. In conclusion, TRHF received a clean report and there were no findings of internal control insufficiencies or any other issues that would be of concern. *A motion was made by Sharon Frank and seconded by Danny Marburger to approve the 18-month audited financials from July 1, 2022, through December 31, 2023. Motion carried.*
- F. Frost Bank Depository Agreement-** As a course of regular business, Frost Bank requires an annual letter stating that Frost is the depository bank for TRHF. *A motion was made by TJ Tijerina and seconded by Sharon Frank to approve Frost Bank as the depository bank for TRHF. Vicki Clark abstained. Motion carried.*
- G. Project Funding Summary-** Jeffrey reviewed the updated Project Funding report. We're currently projected to spend \$3,316,942 leaving \$569,900.50 available to fund using an 8-quarter average at a 4% spend rate. Most funding is paid quarterly so over \$559,000 was paid out in April.

V. CEO Report:

- A. Financial Firms who submitted RFP update-**The Finance Committee selected Goldman Sachs and Wells Fargo as the two finalists to manage the investment account. They will present their proposals at the May 6th Finance Committee meeting.
- B. Development of Medical Complex Drive update-**Jeffrey and Jim have standing Tuesday morning meetings with MG Architects. Jeffrey reviewed the revised plans with the Board. The surveyor will be scheduled to mark the corners of the building to give a better perspective of the site. The current version of the building is 9372 sq ft. Jim emphasized the need for exterior lighting and security cameras. The Board agreed that the side of the building that faces Medical Complex Drive needs to be dressed up and possibly include a sign. TJ recommended astroturf for grassy areas of high traffic that may stay wet under the shade of trees. Jim also recommended a single drive through porte-cochere for safety. Overall, the Board is very pleased with the direction the initial building plans are going.
- C. Records retention plan update-** Sarah updated the Board that VeriTrust was the document management company chosen. They have submitted an agreement to review that also includes HIPAA compliance. Once signed, VeriTrust will retrieve the boxes, store them as long as needed and begin the process of reviewing. They will bring in one of their retention partners for assistance.

D. Tomball Chamber of Commerce lease space update-Jeffrey and Sarah toured the space and determined that the two offices and small meeting space are adequate temporarily for our day-to-day needs. Jeffrey requested use of our current boardroom for our monthly meetings while our building is under construction, and Tomball EDC declined our request. Jeffrey reached out to the LSC Foundation, and they found that LSC-Tomball Health Sciences building has a space we can use for Board meetings on their third floor should we decide to go that route. We will need to secure a storage facility for excess office furniture until completion of our new offices.

E. Executive Team Engagement Summary-the Board reviewed the summary and there were no questions.

VI. Funding Partner Updates:

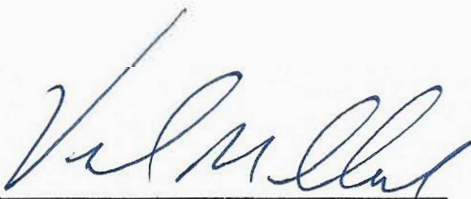
A. TOMAGWA's monthly financials were reviewed. March funding paid was \$33,270.79.

B. Applicants for First Time Funding Partner Application- Letters of Interest have been submitted by the five organizations invited. Jeffrey provided feedback, and all five have been advanced to the application phase. Their applications will be brought before the Funding Committee and the Board in May.

VII. Closed Session-the Board decided it was not necessary to go into Executive Session to discuss personnel matters related to the annual audit based on Weaver's favorable presentation of the audit.

VIII. Adjournment

A motion was made by Tom Kikis to adjourn the meeting at 5:27 pm and seconded by Vicki Clark. Motion carried.



Vicki Clark (Secretary)