

**Tomball Hospital Authority
Board of Directors
April 24, 2019**

Present:

**Vicki Clark, Chairman
Jack Smith, VP
Tom Kikis, Secretary
Jim Ross, Treasurer
Danny Marburger
David McClinton (Telephonically)
Christina Nash
Latrell Shannon
Steve Vaughan**

Absent:

**Bill Hogue
Lori Wilson**

Also Present:

**Lynn LeBouef (CEO)
Marilyn Kinyo (CAO)
Kevin Reed (Reed, Claymon, Meeker & Hargett)
Vincent Norris
Jo Lynne Beverly (Wells Fargo Investment)
Angela Caraway (Wells Fargo Investment)
Russell Kent (Wells Fargo Investment)
Timika Simmons (TOMAGWA)
John Lynch (TOMAGWA)**

Tomball Hospital Authority Board Meeting

1. Call to Order

A. Vicki Clark, Chairman of the Board, called the meeting to order at 3:59P.M. CST on Wednesday, April 24, 2019. Jack Smith read the Foundation's Mission Statement.

- 2. Approval of minutes from the March 27, 2019 board meeting.** A motion was made by Jack Smith and was seconded by David McClinton to approve the board meeting minutes from the March 27th. The motion was unanimously passed.
- 3. Community Input –** No formal report was given by any community members, but the board did discuss the mobility vans and future requests.
- 4. Community Report:** The Community Report was presented to the Board for review from April 2019.
- 5. Wells Fargo Q1 report** was given by Jo Lynne Beverly. Performance of the first quarter 2019 was 11% net of fees coming out of a recovery from end of year 2018. The S&P ended the quarter up 18%, mid cap up 16% and small cap up just shy of 15%. International equity markets followed suit up about 12%. For the most part, investors are not worried about the Fed, and hopes for a positive result from US- China trade talks continued to fuel the equity market last month.

In the first quarter there were no real detractors to the performance of the portfolio. The primary contributors were the domestic stock allocations, large, mid and small as mentioned above. The largest portfolio allocation is the equity allocation representing 61.5% of the total portfolio assets with a 15.7% return. Real Assets, representing 4% of the portfolio also did well with a 12% return. Fixed Income, representing 31% of the portfolio had a return of just under 6%. All asset classes performed as expected or better.

Wells Fargo's outlook for the remainder of the year is cautious, but it does not imply a negative equity outlook. If the economic data continue to weaken, we may further (and selectively) reduce portfolio exposure to economic risk; alternatively, if the data strengthen, we could favor taking more risk in equities. Given the current level of uncertainty against the backdrop of high equity market valuations, we now view

Cash Alternatives as an attractive asset class. In an environment characterized by uncertainty, volatility, and higher valuations, the reallocation of funds from Large Cap Equities into cash gives us the flexibility to potentially reallocate asset back into equity, fixed income, and real assets markets when the opportunity arises. At this meeting no recommendations of change were made. A motion was made by Tom Kikis and was seconded by Christina Nash to approve the Q1 Wells Fargo Investment account report for 2019. The motion was passed unanimously.

6. Financial Report

A. Financial Summary

An update on the March 31, 2019 financials was given by Vincent Norris. He reviewed the balance sheet - cash total \$86,129.08, investments were up for this month to \$99,878,809.44, with a total for the month of \$99,964,938.52 for March 2019. Total liabilities and equities for the month were \$100,061,466.31. Vincent went on to review the P&L statement. Total income of \$1,545,697.37 total expenses of \$407,868.90 and net ordinary income of \$1,137,828.47, net income of (loss) \$1,026,144.06. Marilyn Kinyo presented and reviewed the cash report for March 2019. The major expenses for the month were to Tomball Pregnancy Center, Creative Risk, Lone Star College Foundation Nursing Retention Specialist, Meals on Wheels MC Q4, Swim Safety and the Rose payments. Lynn went on to report on the P&L Budget performance was \$420,247.37 over budget on income and \$99,199.51 under budget on expenses. A motion was made by David McClinton and seconded by Latrell Shannon to approve the March 2019 financials as presented. The motion was unanimously passed.

B. Legal Bills – The legal bills from Reed, Claymon for March & April 2019 were reviewed by the Board. The invoice from Reed, Claymon was in the amount of \$4,374.50. A motion to approve the invoice as presented was made by Tom Kikis and was seconded by Christina Nash. The motion passed unanimously.

7. TOMAGWA

- A. Monthly Dental and Medical Update for March 2019- The dental report for March 2019 was presented to the board. They budgeted to see 366 patients and actually saw 595 patients. The medical clinic budgeted to see 800 patients in the month of March 2019 and actually saw 1232. The quarterly report was presented later in the meeting.
- B. Timika Simmons presented the monthly report for March/April 2019. She reviewed their Q1 business summary and recently updated dashboard that they have created. She then went on to review the probability cash flow calendar as well as their most current financials statements. Timika let the board know that the forensic accountant will not be able to start until June. They had to hire them as an employee and getting this person up to speed with the books. As of today, there is no sense that there was embezzlement that they can see.

The board asked if they have reached out to old donors and reengaged them? She said that they are going to have regular Town Hall Dinners in Tomball and Magnolia. They have an Investment Firm that has agreed to host their Jeans and Jewels dinner and have the proceed go to TOMAGWA. They are looking to hire an interim Development Director to get their fund-raising efforts off the ground. They also had a volunteer breakfast and they had a good turnout and they increased their volunteer hours as well as brought donations in.

8. Quarterly Payments

A. TOMAGWA – Q3

Salaries and Insurance

January 2019	\$32,316.82
February 2019	\$31,199.21
March 2019	\$31,078.93

\$94,594.96

Dental Patient Visits

January 2019	481
February 2019	733
March 2019	595
	<hr/>
	1809

Per the contract THA reimburses \$45.00 per patient visit up to 1000 patients. The 2018/2019 Q3 payment to TOMAGWA is \$45,000.00 for patient fees.

Medical Patient Visits

January 2019	80 x \$125.00 =	\$10,000.00
February 2019	80 x \$125.00 =	\$10,000.00
March 2019	80 x \$125.00 =	\$10,000.00
		<hr/>
		\$30,000.00

Total for Q3 \$169,594.96

A motion to pay TOMAGWA's Q3 total in the amount of \$169,594.96 was made by Jim Ross and was seconded by Steve Vaughan as well as to extend TOMAGWA's quarterly payments for another quarter. The motion carried unanimously.

- B. TEAM Q4 – The Q4 totals for the 2018 funding is in the amount of \$2,410.00. A motion was made by David McClinton and was seconded by Latrell Shannon. The motion was passed unanimously.
 - C. NAM Q1 report – NAM served over 150 seniors' breakfast, hot and frozen meals as well as shelf stables and medical supplies. A motion to pay the Q1 amount of \$25,000 was made by Christina Nash and was seconded by David McClinton. The motion was carried unanimously.
 - D. Montgomery County Youth Services Q1 Report – The board reviewed the report and the number of people served. A motion was made to approve the \$12,500 Q1 funding by Christina Nash and was seconded by Jim Ross. The motion was carried unanimously.
 - E. Inspiring Possibilities Q1 – The report was presented to the board for review. They provided scholarships to 26 students in January 2019, 27 students in February 2019 and 29 students in March 2019. The board also paid for the class and belt testing uniforms. A motion was made by David McClinton and was seconded by Steve Nash to pay the \$11,990.00 invoice for scholarships and uniforms. The motion passed unanimously.
 - F. Senior Rides and More – They submitted an end of the year written report that the board reviewed. They provided 111 hours of cab services or 2000 miles for seniors to be able to get to their doctor's appointments or pharmacy. No action needed.
9. The Board then went into Executive Session at 5:26PM and exited Executive Session at 5:50PM. After coming out of Executive Session a motion was made by Jack Smith and seconded by Tom Kikis to give Marilyn and Lynn a 2% increase in their salaries starting in July and 10% to go to their retirement plans. The motion was carried unanimously.

Adjournment

There being no further business, the meeting was adjourned at approximately 5:52PM CST.


Tom Kikis, Secretary