

**Tomball Hospital Authority  
Board of Directors  
March 22, 2017**

**Present:** Jack Smith, Chairman  
Jerry Till, Treasurer  
Tom Kikis, Secretary  
Ralph Foxworthy  
Bill Hogue  
Jim Ross  
Latrell Shannon  
Steve Vaughan  
Lori Wilson

**Absent:**  
Vicki Clark, VP  
Danny Marburger

**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 4:10P.M. CST on Wednesday, March 22, 2017.
2. Approval of minutes from the February 22, 2017 board meeting.
  - A. A motion was made by Steve Vaughan and seconded by Latrell Shannon to approve the meeting minutes from the February 22, 2017. The motion was unanimously passed.
3. Community Input –George Shackelford said that they have reached an agreement for the park to start bringing water into the park.
4. Financials
  - A. An update on the financials was given by Vincent Norris for February 28, 2017. He reviewed the balance sheet - cash total \$774,596.42, total checking and savings for the month of for February 2017 in the amount of \$92,381,633.31. Total current liabilities \$571,404.60, total liabilities and equities for the month were \$92,488,581.30. Vincent went on to review the P&L statement. Total income of \$1,102,316.22 total expenses of \$398,057.40 and net ordinary income of \$704,258.82 net income of \$5,126,469.47. Marilyn presented and reviewed the cash report. No major changes. P&L Budget Performance we are \$398,083.78 below on income and \$264,438.80 below on expenses. Lynn LeBouef reported that as of 2:47PM today our investment account was at \$91,223,485.83. A motion was made by Tom Kikis and was seconded by Steve Vaughan to accept the financials as presented. The motion was unanimously passed.
  - B. Legal Bills - a motion was made to approve the outstanding legal bill to Reed, Claymon, Meeker and Hargett in the amount of \$1,607.00 for February/March 2017 invoice and a \$50.40 invoice

from Epstein, Becker, Green and Wickliff for February by Lori Wilson and was seconded by Jerry Till. The motion was unanimously passed.

C. Consider and take action to approve outstanding obligations of the Authority.

- FEMA update – No update to report.

5. Investment Committee Update – The Board reviewed the revised spending policy. This is based on the rolling rate from the last 12 quarters. The board reviewed the current “Best Practice” literature indicates that most Foundations allow for some flexibility in their “Spend Rate” based on market conditions. While 4% is the Standard Rate, most institutions also set a “Floor” and a “Ceiling” for total spend depending on market conditions.

“Floor” is the minimum amount that a public foundation commits to spend in market conditions that are unfavorable to the portfolio. As a public entity, there is an expectation that we would use these public funds to sustain current critical projects within the community.

“Ceiling” is the maximum amount that a public foundation would “cap” spending in any given year based on favorable market conditions and portfolio performance.

Any deviation from the Standard 4% Spend Rate would require specific Board authorization.

A motion was made by Tom Kikis and was seconded by Lori Wilson to maintain the 4% spending rate and set a floor of 3% and a ceiling of 5%. The methodology will be as follows:

In our research, most Foundations set a “Floor” of up to 1% below the Standard Spend Rate when Market Conditions are unfavorable, based on the previous 3 quarters performance. At the same time, they set a “Ceiling” of up to 1% when market conditions are favorable to the portfolio in order to continue to fund critical projects and the current budgeted funding has been depleted.

After further discussion the motion was passed with a 9-0 vote with Ralph Foxworthy abstaining.

6. An update on the TOMAGWA dental and medical clinics was handed out to the board for February 2017. The dental clinic budgeted to see 366 patients in the month of February and actually saw 570. The medical clinic budgeted to see 800 patients in the month of February and actually saw 1190. They were both up for the month.
7. Community Health Needs Assessment update
  - A. Approval of incentive package for Community participation. Baker Tilley feels that in order to encourage attendance at these meetings upcoming meetings. We would provide a \$25.00 grocery gift card to each participant. Kevin Reed agreed that this a nominal fee to get participants to give up their time to attend and participate. A motion was made by Jerry Till and was seconded by Tom Kikis to purchase \$25.00 gift cards for community participants that attend the focus group held the week of April 4th. The motion was unanimously passed.
8. Funding Committee Updates
  - A. Meals on Wheels Montgomery County
    - MOW Montgomery County is requesting funding to serve meals to the disabled homebound elderly in the town of Magnolia, in order to provide consistent nutrition, welfare check-ups, and social support. Since receiving the grant from the Foundation last year MOW has been able to serve each homebound senior resident in Magnolia within the zip codes 77354 and 77355, who request and qualify for the MOW services. In the past year they have been able to serve a total of 160 unduplicated clients, service and average of 47 homebound

seniors each month. They served an average of 880 meals each month, or 10,565 meals since receiving the 2016 grant. Based on the number of calls they are currently receive, they expect a moderate increase in the number of seniors requesting meals in Magnolia in the coming year. They are requesting \$100,000 funding for the 2017 year. A motion was made by Steve Vaughan and was seconded by Latrell Shannon. The motion was unanimously passed.

9. Discussion and update related to the evaluation and duties of the CEO/CAO. There was no report this month.
10. Discussion about office space. Waiting for new contract from the Tomball Chamber of Commerce.

**Adjournment:**

There being no further business, the meeting was adjourned at approximately 4:53PM CST.

  
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Tom Kikis, Secretary