

**Tomball Hospital Authority
Board of Directors
September 28, 2016**

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

Absent: **Ralph Foxworthy**

Also Present: **Marilyn Kinyo (Chief Administrative Officer)**
 Lynn LeBouef (CEO)
 Vincent Norris (Myrtle Cruz)
 Robert Spurck (Reed, Claymon, Meeker & Hargett)
 George Shackelford (Tomball City Manager)
 Gretchen Fagan (Mayor of Tomball)

Tomball Hospital Authority Board Meeting

1. Call to Order
 - A. Jack Smith, Chairman of the Board, called the meeting to order at 4:00P.M. CST on Wednesday, September 28, 2016.
2. Approval of minutes from the August 24, 2016 board meeting. A motion was made by Steve Vaughan and seconded by Jerry Till to approve the meeting minutes from the August 24, 2016. The motion was unanimously passed.
3. The newly appointed board members as well as those that were reappointed to the board were sworn in. Then Lori Wilson the new City of Tomball Appointee told the board a little bit about herself and her work experience.
4. Community Input – There was no community input
5. Financials
 - A. An update on the financials was given by Vincent Norris for August 31, 2016. He reviewed the balance sheet - cash total \$517,885.44, investments were down a little to \$89,118,519.50, with a total for the month of \$89,636,404.94 for August 2016. Total liabilities and equities for the month were \$89,732,328.36. Lynn reported that current investments as of midnight last night were at \$89,266,229. Vincent went on to review the P&L statement. Total income of \$180,692.23 total expenses of \$127,005.37 and net ordinary income of \$53,686.86, net income of \$2,308,389.65. Marilyn presented and reviewed the cash report. No major changes. A motion was made by Tom Kikis and seconded by Vicki Clark to approve the reports as presented. The motion carried unanimously.
 - B. Legal Bills – A motion was made by Latrell Shannon and seconded by Danny Marburger to approve the outstanding legal bill to Reed, Claymon, Meeker and Hargett in the amount of

\$3,505.00 for August and September 2016 invoice and Epstein, Becker, Green and Wickliff in the amount of \$47.25. After discussion, the motion was unanimously passed.

C. September outstanding obligations – None this month.

D. Discussion regarding Investment Officers and training. The question came up in Ralph's presentation in August on why we need an Investment Officer when we pay Wells Fargo to oversee our investments. Robert Spurck addressed this and said that under the Public Funds Investment Act it says that the Company that you are using is the Investment Officer, but it is legally important to have an officer within the organization to oversee the account and protect the Foundation's Interest. Also, per our Investment Policy the CEO and the Treasurer will take the Investment Training. A motion was made to maintain the Investment Officers as the stand as well as the training that is required by Vicki Clark and was seconded by Tom Kikis. The motion was unanimously passed.

6. An update on the TOMAGWA dental clinic was handed out to the board for August 2016. They budgeted to see 333 patients in the month of August and actually saw 483. They were up for the month due to a couple of afterhours clinics.
7. Funding Committee Update:
 - A. We had an issue with getting a quorum to discuss all the projects currently before the committee.
 - B. Flu Shot program is time sensitive so that is why it was brought to the full board. We would like to have a flu shot program with the Hospital. We will pay \$6000 for the shots, split the labor with the hospital at \$256.00 each and the Hospital will pay the \$1500.00 for the Marketing efforts. The event will be co-branded and will be held at the hospital. A motion was made by Danny Marburger and was seconded by Bill Hogue to approve the \$6,256.00 cost for this program as well as a 10% variance for the cost of the shots. The motion carried unanimously.
8. The Meals on Wheels Q2 report was presented to the board. They served a total of 2,377 meals to 113 seniors. Of those 2,377 seniors 29 are unduplicated clients or new clients this quarter. A motion was made by Tom Kikis and was seconded by Jerry Till to approve the Q2 payment in the amount of \$12,883.34. The motion was unanimously passed.
9. The 2016/2017 insurance premium was reviewed and discussed. The premium quote is for Worker's Compensation, D&O, Commercial Umbrella and Employment Practices Liability. The amount of this year's premium is \$40,324.00. They will expire on October 1, 2016. A conversation was had by the board. A question was asked why we need such high coverage for the D&O coverage and what the exclusions are on this policy. The board further discussed the coverage and after clarification from Robert Spurck they agreed this coverage should be bound. A motion was made by Vicki Clark and seconded by Bill Hogue to approve the 2016/2017 Insurance coverage in the amount of \$40,324.00. The motion was unanimously passed.
10. The board discussed the question raised at the last City Council Meeting regarding the Mayor of Waller serving on our Board since he is the Mayor of a "municipality". Our legal counsel addressed this issue by stating his opinion was the term "municipality" refers to the municipality of the creating ordinance for the Authority and that was the City of Tomball. The statute allows for 2 municipalities to come together to create a Hospital Authority, but that did not happen when the Authority was created in 1973.
11. Intergovernmental Transfers (IGT) was also discussed. Some of the information presented in the City Council presentation was misleading and inaccurate with regards to IGT's. Portions of the Asset Purchase Agreement between CHS and the Authority at the time of the sale of the hospital were reviewed including provisions asked for by the Authority to continue support for Lone Star College and TOMAGWA. The graph presented in the Council packet was also reviewed and addressed as misleading and inaccurate. The exact dates and amounts that the Authority made IGT's to the hospital were reviewed as well as changes to the UPL program that occurred in 2012 shortly after the sale of the hospital. In 2012, the State of Texas decided not to participate in the expansion of Medicaid under Obamacare. This dramatically reduced the availability of the Federal Match for IGT funds. There were many headlines in the newspaper on how much money Texas was leaving on the table with that

decision. In 2012, the Upper Payment Limit (UPL) program ended and was replaced by the 1115 Waiver Demonstration Project. Prior to 2012, participating hospitals could recover most of its uncompensated care cost. After 2012, the availability of Federal Matching Dollars was reduced. Actual, IGT request and payments for DY5 and DY4 (Demonstration Year of the 1115 Waiver) spreadsheets from the State were reviewed and explained. In DY5, it was noted that TRMC had \$13,361,437.88 in Uncompensated Care. Maximum IGT Requested was \$5,728,048.42. IGT Commitment from Harris County Hospital District was \$5,728,048.42. Final actual IGT was \$1,674,420.99 from Harris County Hospital District. Why? Because the total committed IGT dollars exceeded the availability of the Federal Match so was reduced and only returned \$3,905,810.57 towards the \$13,361,437.88 in Uncompensated Care that TRMC had.

12. Community Needs Assessment – The board had one done 5 years ago. It is out of date and we need new data. We have two quotes for a new report and a third is on the way. The price ranges from \$50,000 - \$100,000. This will help us set new goals for the coming years.
13. FEMA – There is no update for the month of August.
14. Community Update Flyers were presented to the board in their packet to review at their leisure.

Adjournment

There being no further business, the meeting was adjourned at approximately 6:35PM CST.



Jack Smith, Chairman