

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
WINNIE-STOWELL HOSPITAL DISTRICT**

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 1:00 p.m. on the 25th of February, 2016 at the Winnie Community Hospital (“Hospital”)- Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to wit:

Elroy Henry, Chair
Jeff Rollo, Vice-Chair
Ed Murrell, Secretary
Sharron Burgess, Director
Raul Espinosa, Director

All said Board members were present with the exception of Director Burgess. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Yani Jiminez, Indigent Care Director; Hubert Oxford, IV; David Sticker, CPA; Hazel Meaux; Wendy Benoit; Lisa Ponce; and Larry Barron. At approximately 1:13 p.m., a quorum was established and Chairman Henry and then a request for public comment.

There being no public comment, Chairman Henry immediately called on the Finance Committee Chairman, Edward Murrell, to discuss Agenda Item No. 4, Agenda Item No. 4, to discuss and take action on retaining a Certified Public Accountant for the District. As such, Chairman Murrell was asked to introduce David Sticker, CPA and provide a recommendation on whether the District should utilize Mr. Sticker’s services. Director Murrell discussed his committee’s due diligence on Mr. Sticker and the proposed engagement letter presented by Mr. Sticker. (See **Exhibit “A”**). According to Director Murrell, the Committee contacted a number of Mr. Sticker’s governmental entity clients and was assured that Mr. Sticker would be a great

choice for the District's accountant and that he is very diligent, honest, and timely with his work product. As to the retainer, Mr. Sticker requested a retainer for routine assistance with accounting and verification of federal employment tax matters and then be paid on an hourly basis for work outside of the retainer. The retainer is \$650.00 to \$750.00 per month depending on the volume of work required. However, Mr. Sticker stated that he is willing to adjust the retainer as staff becomes more proficient in the use of Quickbooks. Following a discussion by Mr. Sticker on his credentials and professional background, a motion was made by Director Rollo to retain David Sticker as the District's CPA. This motion was seconded by Director Murrell with the unanimous consent of all Board members present.

Next, the Board was asked to address Agenda Item No. 6, to discuss and take action, if necessary, on providing assistance to Winnie Stowell Volunteer EMS. Attorney Oxford reported that no action needed to be taken on this agenda item as it was left on the agenda by mistake. Therefore, no action was taken.

Following, Chairman Henry asked Mrs. Norris to address Agenda Item No. 5, to discuss and take action on giving additional personnel at LTC the ability to assist in the reconciliation and transfer of funds from the District's sweep account at Wells Fargo to the individual nursing home operations account at Wells Fargo. Mrs. Norris reminded the Board that matter was discussed at the previous Regular Board meeting but Mrs. Norris explained that before transferring funds for operations into the nursing facilities operations accounts from the District's Depository Accounts to the Manager's she reconciles the funds and then sends the reconciliation to the LTC Group for a second review. Once LTC reviews Mrs. Norris's reconciliation, LTC Group transfers the funds. Presently, only one employee at the LTC Group has the credentials to make transfers, through this request Mrs. Norris asked for another set of credentials to be given


to a second LTC employee in the event that the primary contact is not available. The credentials given to LTC do not allow the funds to be transferred any other place except to the nursing facilities' operations account. A motion was then made by Director Murrell to give staff authority to issue a second secure token from Wells Fargo to LTC Group to transfer operations funds from the District's Depository Accounts to the Nursing Homes' operations accounts. This motion was seconded by Director Rollo with the unanimous consent of all Board members present.

Before addressing Agenda Item No. 4, Chairman Henry asked that the Board go into executive session pursuant to Section 551.071 of the Government Code for consultation with their attorney. The Board went into executive session at 1:58 p.m. and returned from executive session at 3:14 p.m. No action was taken.

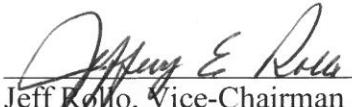
Following the Executive Session, Chairman Henry asked the Board to discuss and take action on reviewing and approving financials report; payment of invoices, and amend budget, if necessary as provided for in Agenda Item No. 3. The only invoice presented was Attorney Oxford's December 2015 invoice and the yearend invoice needed to complete the District's 2015 calendar year. Attorney Oxford presented the Board with the attached legal fee summary for 2015. (See **Exhibits "B" and "C"**). In summary, the total legal fees for 2015 were \$288,305.00 of which \$185,015.00 were spent on matters involving nursing homes. Of the \$185,015.00 for nursing homes, Attorney Oxford assigned \$59,150.00 to Genesis for work performed on the Genesis HUD transaction. Therefore, Attorney Oxford explained that based on the agreement previously approved by the Board, Genesis was to reimburse the District approximately \$50,000.00 for these expenses. Following this presentation, a motion was made by Director Espinoza to pay Benckenstein & Oxford's invoice for December 2015 as set forth in **Exhibit**

“B”. This motion was seconded by Director Rollo with the unanimous consent of all Board members present.

Before asking for a motion to adjourn, Chairman Henry then reminded the Board that the next Regularly Scheduled Board meeting was set for March 23, 2016 at 6:00 p.m. A motion was then made by Director Espinoza to adjourn at 3:17 p.m. This motion was seconded by Director Burgess Rollo with the unanimous consent of all Board members to adjourn.



Elroy Henry, Chairman



Jeff Rollo, Vice-Chairman