

**MINUTES OF THE REGULAR 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 6:00 p.m. on the 24th day of August 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
Sharon Burgess, Director
Raul Espinosa, Director

All said Board members were present with the exception of Director Murrell. In addition, to the above named Board members, also present at the meeting were: Sherrie Norris, District Administrator; and Hubert Oxford, IV, General Counsel; Anthony Stramecki, Board Member Elect, and citizens listed on **Exhibit “A”**.

At approximately 6:03 p.m., a quorum was established and Chairman Henry made introductions that were followed by a brief moment of silence, the Pledge of Allegiance, and then a request for public comment. There being no public comment, Chairman Henry asked the Board to address Agenda Item No. 3, to consider and take action on reviewing and approving the minutes from the following meeting:

- July 25, 2016 Regular Meeting

After a review of the minutes, Director Rollo made a motion to approve the minutes for the July 25, 2016 Regular Meeting. This motion was seconded by Director Espinoza, with the unanimous consent of all Board members present.

Next, the Board was asked to return to Agenda Item No. 4, to review and approve financials report; payment of invoices, and amend budget, if necessary. According to Mrs. Norris, the District had a net cash position of \$2,592,939.34 in its various accounts after the payment of \$26,292.75 in expenses. Included in this net cash position were: 1) \$1,845,386.20 in the District's Operating Account; 2) \$100.00 in the Interbank Account; 3) \$104,089.64 in a Prosperity CD; and 4) \$653,333.76 in its TexStar Account. In addition, Mrs. Norris reported to the Board that during the past month, the District paid \$3,190,292.11 of which 1) \$3,610,000.00 was to repay Loan 7; 2) \$151,480.75 was spent on Interest for Loans 7, 8, and 9; and 3) \$571,188.64 was paid to LTC for December 2015 and January 2016 invoices. (See **Exhibit "B"**). In addition, the Board was asked to amend their budget by adding \$400,000.00 to the existing \$250,000.00 budgeted for Indigent Care line item in order to fund the Intergovernmental Transfer for DY 5 Uncompensated Care Payment on behalf of the Winnie Community Hospital. The funds for the \$400,000.00 amendment were to be deducted from the District's excess funds for the year. Following the explanation of the need to amend the budget, Director Rollo made a motion to approve the payment of bills and the financial statements presented by Mrs. Norris and the District's CPA, David Sticker. (See **Exhibit "B"**). This motion was seconded by Director Burgess, with the unanimous consent of all Board members present.

After the approval of financial report and payment of invoices, Chairman Henry called on the Committee Chairman to provide reports, if any. The reports by each Committee Chair are as follows:

- **Finance Committee:** Director Espinoza and Attorney Oxford advised the committee met with LTC to discuss the status of the UPL/MPAP program; the future of Quality Improvement Payment Program; and to begin discussion on fees for the existing program and potential necessary changes for future programs, if the District continues to own thirteen (13) nursing homes. According to Director Murrell, the future of the program is in jeopardy and it is something the District will need to monitor closely.

- **Indigent Healthcare Committee:** Vice President Rollo advised the Indigent Healthcare Committee had nothing to report.
- **Personnel Committee:** Director Burgess informed the Board the Board may need to go into executive session after consulting with Attorney Oxford.
- **Hospital Liaison:** Director Espinoza reported to the Board that the pumps at the Hospital were continued to perform as expected and have eliminated the flooding inside the hospital. In addition, Mr. Mo Danishmund, CEO for Riceland Hospital, asked to respond to the prior requests by Director Burgess as to the X-ray machine. According to Mr. Danishmund, the X-ray machine is working properly but the Hospital terminated its relationship with the radiologists who were previously reading X-rays and hired Green Imaging to serve as radiologists for the Hospital.

Chairman Henry then called on staff to address Agenda Item No. 6, to discuss and take action on reports by staff. Mrs. Norris reported she is working with the District's CPA to finish providing auditors with information in order to comply with requests by the District's auditors so that they can finish the 2014 and 2015 audit. In addition, the two were finalizing the changes to the accounting for QuickBooks.

After Administrator's report, Mrs. Norris advised the Board that the District's Indigent Care Director, Mrs. Yani Jimenez, was on vacation and would present reports for July 2016 at the September 2016 Regular meeting. However, Ms. Norris did report that the District was back up to forty-four (44) indigent patients.

After the completion of Indigent Care Report, Attorney Hubert Oxford gave his Attorney's report. Attorney Oxford reported to the Board that there was going to be a need for a Special Meeting on August 31, 2016 to cancel the November 8, 2016 election because there were no contested positions. In addition, Attorney Oxford explained that Chairman Henry did not re-apply for a position on the Board but incoming Director Anthony Stramecki did file for the position and therefore, would be sworn in at the completion of Chairman Henry's term of office.

Next, Chairman Henry requested the Board to attend to Agenda Item No. 7, to discuss and take action, if necessary; on approving the election contract with the Chambers County Clerk and approve any necessary notices of publication. Since there will be no election for the District's Board, no action was taken on this agenda item.

Chairman Henry then turned to Agenda Item 8, to discuss and take action, if necessary, on staffing evaluations. According to Chairman Henry, at the prior regular meeting, the Board discussed giving Administrator Norris a raise from \$20.00 to \$25.00 per hour but could not take action on the matter because it was not on the agenda. Therefore, he asked for a motion to approve Administrator Norris's salary from \$20.00 to \$25.00 per hour effective immediately. A motion was then made by Director Espinoza to give Administrator Norris a raise from \$20.00 to \$25.00 immediately. This motion was seconded by Director Burgess, with the unanimous consent of all Board members present.

Lastly, Chairman Henry called on the Board to discuss and take action, if necessary, on approving Intergovernmental Transfer ("IGT") for DY 5 Uncompensated Care Payment on behalf of the Winnie Community Hospital. In so doing, he called on Administrator Norris and Attorney Oxford to give the details. Attorney Oxford explained that the IGT could be for as much as \$310,000.00 but would most likely be closer to \$260,000.00 and the return on the IGT for the Riceland Hospital could be as high as \$724,122.37. In addition, Administrator Norris explained that this IGT would not need to be made until September 10, 2016 but was requesting approval at the Regular Meeting for up to \$310,000.00 in order to avoid the need for a Special Meeting. After a brief discussion concerning upcoming IGTs in November 2016, a motion was then made by Director Espinoza to authorize the payment of up to \$310,000.00 for the IGT on behalf of the Riceland Hospital so that the hospital could receive Uncompensated Care funds.

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

There being no other business, Chairman Henry advised the Board that the next Regularly Scheduled Board meeting would be on September 21, 2016 at 6:00 p.m. At 6:54 p.m., a motion was then made by Director Espinoza to adjourn the meeting. This motion was seconded by Director Burgess, with the unanimous consent of all Board members.


Elroy Henry, Chairman


Jeff Rollo, Vice-Chairman