

**MINUTES FOR THE P REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE WINNIE-STOWELL HOSPITAL DISTRICT**

The Regular Board meeting was noticed pursuant to Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 6:00 p.m. on the 20th day of February 2019, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

At approximately 6:06 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

Ed Murrell, President
Anthony Stramecki, Vice President
Robert “Bobby” Way, Jr.
Jeff Rollo, Secretary
Raul Espinosa, Director

All said Board members were present. Also present at the public hearing were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; Mr. David Sticker, the District’s CPA; Mr. Saad Javed, Interim Administrator for Riceland Hospital (“Hospital”); Mr. Mo Danishmund, Chief Financial Officer for Hospital; Mr. Chris Portner, Counsel for Riceland; Mr. Wade Thibodeaux, the Hometown Press; and Gloria Roemer, the Seabreeze Beacon; and Lee Sheek, interested citizen.

After quorum President Murrell asked if there was any public comment. Mr. Lee Sheek responded that he wanted to make a comment and was given time to speak. According to Mr. Sheek he wanted to notify the Board of problems he was having with the Winnie Community Hospital. Specifically, on Valentine’s Day in 2018, he brought his wife to the Hospital for intestinal problems and except for the Physician’s Assistant, he was very disappointed by the courtesy of the Hospital employees. He also express displeasure that following the visit, he received a bill for \$5,400.00 because three weeks after the visit, his wife suffered from a second

intestinal problem and this time he took her to UTMB Galveston who only charged \$2,000.00. To make matters worse, Mr. Sheek agreed to pay the Hospital \$100.00 per month, but his account was recently, turned over for collections even though he has made all the payments. At the conclusion of his testimony, President Murrell thanked Mr. Sheek for information and explained to him that the Board could not respond because this matter was not on the agenda. However, he assured Mr. Sheek he would follow up with the Hospital to address the employees' customer service and to find out why Mr. Sheek was turned over to collections.

After the public comment, President Murrell asked the Board to consider and take action on Agenda Item No. 3, to review and approve the minutes of the January 16, 2019 Regular Meeting and January 31, 2019 Special Meeting. The Board reviewed the minutes and a motion was made by Director Stramecki to approve the minutes of the January 16, 2019 Regular Meeting and January 31, 2019 Special Meeting. This motion was seconded by Director Rollo with the unanimous consent of all Board members.

Next, President Murrell asked the Board to return to Agenda No. 4, to review and approve financial reports; payment of invoices, and amend budget, if necessary. Mr. Sticker, and Attorney Oxford jointly presented this report and asked the Board to review the 1) Treasurer's Report; 2) Balance Sheet as of January 31, 2019; 3) Profit & Loss Budget vs. Actual as of January 31, 2019; and 4) the check register for the District's Prosperity Account from January 16, 2019 through February 20, 2019. (*See Exhibit "A"*). Mr. Sticker then addressed the District's Balance Sheet. According to Mr. Sticker, the District' had net assets of \$42,702,314.25 and liabilities of \$33,864,545.23. He further explained that District included the Nursing Home accounts receivables and payables in its balance sheet. In regard to the Profit and Loss Statement, Mr.

Sticker reported that the District was operating within its budget, however, it was still too early in the year to recommend any changes or amendments.

He then turned over the discussion to Attorney Oxford reviewed the Treasurer's Report. Attorney Oxford initiated the conversation by reviewing the Funds Summary section of the report and advised the Board that the District had unencumbered funds that totaled \$2,589,421.85 which was up \$537,588.73 from January. In addition, he discussed the transactions that occurred since the last meeting. In particular, he highlighted the recent payment of incentive fees to the Managers of \$1,290,274.81 resulting from second year, first quarter of Component 2, 3, and Lapsing Fund payments and half of the 10% IGT Repayment that amounted to \$378,506.59. Thereafter, Attorney Oxford asked the Board to review the Loan 13 and Loan 14 payment schedule and reported that he and staff changed this section in hopes of making it simpler to see payment dates, and the total amount of principle reserved in the District's DACA account at Interbank. At the end of the discussion of the financials a motion was made by Director Way to approve the financials for January 2019 and the Treasurer's reports set forth in **Exhibit "A"**. This motion was seconded by Director Rollo and unanimously approved by all Board members except Director Stramecki who abstained from voting because of the invoice submitted by his wife, Lisa Stramecki.

President Murrell called on the Committee Chairpersons to discuss Agenda Item No. 5, Committee Reports but there were no reports to discuss. Thereafter, President Murrell call on staff to present Agenda Item No. 6, reports by staff.

a. **Administrator's Report:** Mrs. Norris informed the Board that she had nothing to report but was going to discuss recommendations for the District's website during Agenda Item No. 7.

b. **District Indigent Care Director:** Mrs. Jimenez then gave her Indigent Care Report for January 2019. This report can be found in **Exhibit “B”** and summarized below:

	January				Year to Date			
Clients:	70							
Children Counseled:								
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility								
Winnie Community Hospital	\$74,817.60	\$30,675.21	73.98%	\$0.00	\$74,817.60	\$30,675.21	73.98%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy Corp	\$6,475.72	\$5,705.94	13.76%	\$5,705.94	\$6,475.72	\$5,705.94	13.76%	\$5,705.94
Brookshire Brothers Pharmacy Med	\$8.50	\$8.50	0.02%	\$8.50	\$8.50	\$8.50	0.02%	\$8.50
Wilcox Pharmacy	\$2,445.91	\$1,703.24	4.11%	\$1,703.24	\$2,445.91	\$1,703.24	4.11%	\$1,703.24
Pharmacy Total	\$8,930.13	\$7,417.68	17.89%	\$7,417.68	\$8,930.13	\$7,417.68	17.89%	\$7,417.68
UTMB								
UTMB Hospital	\$11,960.95	\$2,870.63	6.92%	\$2,870.63	\$11,960.95	\$2,870.63	6.92%	\$2,870.63
UTMB Physician Services	\$1,891.00	\$498.76	1.20%	\$498.76	\$1,891.00	\$498.76	1.20%	\$498.76
UTMB Total	\$13,851.95	\$3,369.39	8.13%	\$3,369.39	\$13,851.95	\$3,369.39	8.13%	\$3,369.39
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$97,599.68	\$41,462.28		\$10,787.07	\$97,599.68	\$41,462.28		\$10,787.07

Summary by Service Provided								
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$8,930.13	\$7,417.68	17.89%	\$7,417.68	\$8,930.13	\$7,417.68	17.89%	\$7,417.68
WCH Clinic	\$6,645.60	\$2,724.69	6.57%	\$0.00	\$6,645.60	\$2,724.69	6.57%	\$0.00
WCH ER	\$46,142.00	\$18,918.22	45.63%	\$0.00	\$46,142.00	\$18,918.22	45.63%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$7,006.00	\$2,872.46	6.93%	\$0.00	\$7,006.00	\$2,872.46	6.93%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Lab/Xray	\$7,651.00	\$3,136.91	7.57%	\$0.00	\$7,651.00	\$3,136.91	7.57%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Xray	\$7,288.00	\$2,988.08	7.21%	\$0.00	\$7,288.00	\$2,988.08	7.21%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Lab/Xray readings	\$85.00	\$34.85	0.08%	\$0.00	\$85.00	\$34.85	0.08%	\$0.00
UTMB Outpatient	\$11,960.95	\$2,870.63	6.92%	\$2,870.63	\$11,960.95	\$2,870.63	6.92%	\$2,870.63
UTMB Anesthesia	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
UTMB Physician Services	\$1,891.00	\$498.76	1.20%	\$498.76	\$1,891.00	\$498.76	1.20%	\$498.76
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grant Totals	\$97,599.68	\$41,462.28		\$10,787.07	\$97,599.68	\$41,462.28		\$10,787.07

In addition, Mrs. Jimenez highlighted a new report she proposed presenting at each month. The report was named “Amount Paid on Client” and was designed to assist the Board members monitor expenses incurred by the clients during their current enrollment period. (See Exhibit “B”). She thanked her for the report and welcomed the report at future meetings.

Lastly, Mrs. Jimenez informed the Board that she was going to Austin, Texas for training on March 4th through the 6th, 2019 at the Texas Health and Human Services Commission. Mrs. Jimenez informed the Board that in the past, this training was very helpful, and she looked forward to updating the Board on topics discussed.

c. **District General Counsel:** Attorney Oxford presented the Board with a February 11, 2019 e-mail to the Board members and Managers and once again expressed his concern whether it was appropriate for the Managers to utilize the District's sales tax exemption for purchases of supplies. (See **Exhibit "C"**). In summary, Attorney Oxford explained the principle set for in various Attorney General Opinions and opinions by the Comptroller of Public Accounts that stated it was appropriate for private entities to use the exemption given to political subdivisions if the political subdivision benefitted. Because of the questions raised by his research, he asked the Managers to research the issue and report on their findings. With this said, Attorney Oxford did remind the Board that the Caring Healthcare and former Genesis homes previously received permission to utilize the exception and he has learned from various sources in the industry that it was common practice for facilities in similar arrangements with other political entities of the State of Texas to use the exemption. In response, several Board members pointed out the District did benefit from the use of the sales tax exemption because it was in the District's best interest for the facilities to be more profitable. Likewise, Mr. David Sticker, CPA, reminded the Board that the District actually owns the facilities and carries the facilities' assets and liabilities on its books.

d. **LTC Report:** No report was given but the Board was asked to review the monthly report submitted by LTC. (See **Exhibit "D"**).

e. **Hospital Report:** Mr. Saad Javed presented the Board with the Hospital's monthly report and a report that showed how much in payments were made to emergency room doctors as requested by the Board members. (See **Exhibit "E"**). In total, since September 2018, Mr. Saad stated the Hospital spent \$194,975.00 on emergency room doctors. Unfortunately, he explained, that amount spent in January 2019 and the shift covered by the doctors in the emergency room dropped significantly because the Hospital lost some doctors because the doctors complained

about needed equipment. Also, Mr. Javed brought to the Board's attention that in January 2019, the average inpatient days dropped from 2.45 to 1.68 days. He explained that the Hospital regularly experiences a decline in patients in January but situation with the emergency room doctors did not help the situation. Once Mr. Javed completed his presentation, Mr. Mo Danishmund, in response to request by Board members for cost report data, presented the Board with a page from the 2017 cost report that provided the Board members with data used to assess uncompensated care. (*See Exhibit "E"*). This same information was provided for 2016 at the November 2018 Special Meeting. Mr. Danishmund explained that the 2018 cost report was not completed and filed yet, however, after it was filed, the Hospital would also provide this same information from that cost report. The Board thanked the Hospital for supplying this information. Afterwards, Director Way inquired about the average cost per month for emergency room doctors if the emergency room was fully staffed. Mr. Danishmund responded that the costs were between \$85,000.00 and \$95,000.00. Director way also received confirmation from Mr. Danishmund that the cost of emergency room doctors since September 2018 and x-ray equipment was approximately \$400,000.00.

At the end of the conversation regarding the Hospital report, President Murrell asked the Board to move to Agenda Item No. 7 to discuss and take action, if necessary, on updating the District's website. Sherrie Norris reported that Mrs. Stramecki was unable to attend the meeting because of a personal matter and therefore, the agenda item needed to be tabled. However, she did present the Board with an e-mail from Mrs. Stramecki that outlined needed updates and changes to the District's website. (*See Exhibit "F"*). Some of Mrs. Stramecki's recommendations included: 1) installation of a secure certificate to secure information exchanged through the website between the District and its indigent clients; 2) need to update several Board member biographies

and pictures; and 3) prepare for changes by Google in May 2019 that will impact the District's e-mail addresses. After review of the e-mail, Attorney Oxford asked Mrs. Norris if Mrs. Stramecki had fixed the website so that staff could resume uploading documents. Mrs. Norris replied that this problem was being addressed but she needed Mrs. Stramecki to come to the next Board meeting to explain the problem and potential solutions. President Murrell then asked for a motion to table this agenda item and a motion was made by Director Stramecki to table Agenda Item No. 7. Director Stramecki's motion was seconded by Director Rollo and approved by the unanimous consent of all Board members.

Turning to Agenda Items No. 8, to discuss and take action, if necessary, on entering into agreements with Post Oak Bank and Interbank to participate in Insured Cash Sweep ("ICS") programs. Attorney Oxford explained to the Board that ICS programs were used by governmental entities throughout the State of Texas to comply with the Public Funds Investment Act by transferring an entities' funds out of a depository bank above the FDIC insured amount of \$250,000.00 to other cooperating banks in increments of \$250,000.00 or less. (*See Exhibit "G"*). He continued by explaining that the District was not currently in compliance with Public Funds Investment act because the balances in its account CD at Post Oak Bank and bank accounts at Interbank were in excess of \$250,000.00. Regarding Post Oak Bank, he informed the Board that he was told by the Bank that the nursing home accounts did not have balances above \$250,000.00 and were not subject to be secured by the Public Funds Investment Act. Further, both banks have offered the District the opportunity to participate in the Program, but it would cost the District an estimated \$900.00 per month because the District was charged a small percentage on the money being held by other banks. The Board concurred with this recommendation and subsequently, Director Stramecki made a motion to participate in Insured Cash Sweep ("ICS") program so that

the District's money at Post Oak and Interbank were secured as required by the Public Funds Investment Act. This motion was seconded by Director Way and unanimously approved by all Directors.

Next, President Murrell addressed Agenda Item No. 9, to discuss and take action, if necessary, on engaging Durbin & Company to perform the District's Annual Audit for 2018 and explained that this matter needed to be tabled because the District did not receive an engagement letter or an invoice. In response, Director Rollo made motion to table Agenda Item No. 9. This motion was seconded by Director Stramecki and unanimously approved by all Directors.

Moving to Agenda Item No. 10, President Murrell called on Attorney Oxford to discuss and take action, if necessary, on adopting Request for Qualifications to hire a licensed professional counselor ("LPC") to provide counseling to qualified adolescents within the District. Attorney Oxford presented the Board with a draft Request for Qualifications to hire a licensed professional counselor and asked the Board for any feedback and/or changes that needed to be made. (*See Exhibit "H"*). Attorney Oxford also asked for due dates and opinions on having a meeting of the Personnel Committee to review any Request for Qualifications received. After reviewing the document and comments, the Board agreed that the District should open the position up to both LPCs and licensed professional counselor interns ("LCP-I"). Moreover, the Board agreed to set the deadline to submit the RFQs for April 5, 2019 because this will give the Personnel Committee time to review the RFQs and to make a recommendation to the Board at the April 17, 2019 Regular Meeting. Lastly, Attorney Oxford informed the Board that he had discussed this position and the RFQ with several LPCs in Beaumont and they recommended posting the position on Indeed.com. Likewise, the Board also asked staff to post the position with the local newspapers. Once the discussion and revisions to the RFQ were completed, a motion was made by Director Way to

approve the Request for Qualifications for a youth counselor; post the position for LPC counselor or LPC-I that specializes in youth counseling; and to set the deadline for submission of the RFQs for April 5, 2019. This motion was seconded by Director Espinosa and unanimously approved by all the Board members.

Moving to Agenda Item No. 11, to discuss and take action on adopting a grant policy for the District, President Murrell informed the Board that the policy has not been prepared and this item needed to be tabled until the next meeting. Director Way agreed and made a motion to table Agenda Item No. 11. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

Lastly, President Murrell called on the Board to address Agenda Item No. 12, to discuss and take action, if necessary, on the following personnel matters: a.) amend and update District's Personnel Policies; b) consider employee performance-based salary increases; and c) payment to the Administrator for 2018 unused paid time off. Before the discussion ensued, Attorney Oxford intervened and recommended that no action be taken concerning the amendments to the Personnel Policy manual because the Personnel Committee needed to meet and discuss the changes prior to being considered by the Board.

As to the payment of the Administrator's 2018 paid time off, Attorney Oxford advised the Board that this was in the policy and needed to be paid. According Section 8.5 of the policy, the Administrator, as the only employee that qualifies, could receive payment for up to forty (40) hours, or five (5) days, of paid time off in addition to her ability to carry forward forty (40) hours, or five (5) days. While Mrs. Norris is a salaried employee, her salary is based was calculated using a pay rate of \$25.00 per hour. Thus, if she is to be paid for forty (40) hours, Mrs. Norris is owed \$1,000.00.

Attorney Oxford continued by explaining that one of the recommendations for changes to the Personnel Policy was to allow qualified employees to carry forward forty (40) hours and be paid for up to eighty (80) hours of unused time. This change was suggested because in 2018, the Administrator did not use any paid time off and consequently, after carrying forward forty (40) hours and being paid for forty (40) she is going to lose forty (40) hours.

Director Rollo then made a recommendation to give Mrs. Norris a raise to \$65,000.00 and to increase Mrs. Jimenez's hourly rate from \$15.00 to \$16.50. Concerning Mrs. Norris' raise, the Board discussed that it was difficult to find similar positions but due to Mrs. Norris's dedication to the job and her performance, she deserved the merit increase. Mr. David Sticker then intervened and reminded the Board that Mrs. Norris made \$52,000.00 per year, not \$55,000.00. With this new information, Director Rollo revised his recommendation to give Mrs. Norris a raise to \$62,000.00 per year. For Mrs. Jimenez, Director Rollo recommended that if the Board gives her the recommended raise, the Board review her progress in assisting Mrs. Norris perform her job duties during the summer and possibly consider giving her an additional raise. At the end of a lengthy discussion about the recommendations for merit raises, a motion was made by Director Rollo to pay Mrs. Norris \$1,000.00 for her unused paid time off for 2018 and to increase her salary effective January 1, 2019 to \$62,000.00 and to give Mrs. Jimenez a pay increase of \$1.50 an hour, or \$16.50. per hour effective January 1, 2019. Director Rollo's motion was seconded by Director Way and unanimously approved by all the Directors.

President Murrell then called for any other such matters before the Board. There being none, the Board the next Regularly Scheduled Meeting. After some discussion, the Board agreed to hold the next Regular Meeting at 6:00 p.m. on March 20th, 2019. At 8:24 p.m., a motion was

made by Director Espinoza to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President