

**MINUTES FOR THE FINANCE COMMITTEE MEETING OF THE
WINNIE-STOWELL HOSPITAL DISTRICT**

The meeting of the Finance Committee 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 4:00 p.m., December 10, 2020 at the District’s Offices located at 520 Broadway, Winnie, Texas 77665, Winnie Tx 77665 (a copy of said Notice being placed amongst the files of the District).

This meeting was held via videoconference to mitigate the spread of COVID-19. The meeting was duly posted pursuant Texas Government Code 551.127 as modified by the December 6, 2020 Proclamation of Governor Abbott in which the Governor acted to maintain government transparency and continued government operations while reducing face-to-face contact for government open meetings. In addition, members of the public were able to participate and address the Board during the videoconference meeting and a recording of the meeting was made and is available to the public.

At approximately 4:00 p.m., the meeting was convened, and the roll was called of the members of the Board present, to wit:

Mr. Anthony Stramecki	Committee Member
Robert “Bobby” Way	Committee Member
Kacey Vratis	Director

All said Committee members were present as well as Director Kacey Vratis. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator
Mrs. Patricia Ojeda	Indigent Care Director
Mr. David Sticker	District CPA
Mr. Hubert Oxford, IV	General Counsel for the District

Following the introductions, Mrs. Gloria Roemer asked to make a brief public comment. Mrs. Roemer asked to make a Public Comment. Per Mrs. Roemer, she asked the Finance Committee member to start researching innovative ways to spend

money on health care services that could provide benefits to the entire community. Some ideas she suggested were to consider a diagnostic clinic, diabetic center, and working with Chambers' Health to utilize their dental and ophthalmologist services. The Committee Members thanked her for the thoughts and ideas and agreed to set aside funds in their budget recommendation to the full Board that included funding for additional community health care needs.

2. Review and discuss proposed 2020 Final Budget Amendments and prepare 2021 Budget Recommendation for December 21st, 2020 Public Hearing and Regular Meeting.

Per Mr. Sticker and Attorney Oxford, they met prior to the Finance Committee meeting and prepared a draft final budget amendment for 2020 and a Proposed Budget for 2021. They then provided the Committee with all the documents used to prepare a draft recommended budget to use as a guide. (*See Exhibit "A" for Condensed version of 2020 Budget Amendment 4 and proposed 2021 Budget presented prior to the meeting*).

Thereafter, the Committee was first asked to consider budget amendment recommendations for the end of the year 2020. The amendments recommended were as follows:

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	November 2020 Actuals	2020 Original Budget	Revised Budget post Amendment 3 August 19, 2020	Budget Amendment 4 December 16, 2020	Diff Bw Amendment 3 & 4
Revenue					
400 Sales Tax Revenue	\$627,485.13	\$500,000.00	\$500,000.00	\$650,000.00	\$150,000.00
409 Tobacco Settlement	\$13,221.78	\$9,800.00	\$9,800.00	\$13,200.00	\$3,400.00
415 Nursing Home-QIPP Programs	\$30,606,993.74	\$27,533,416.02	\$34,690,788.07	\$35,851,765.00	\$1,160,976.93
Total Income	\$31,290,931.51	\$28,089,216.02	\$35,246,588.07	\$36,560,965.00	\$1,314,376.93
Expense					
500 Admin-Administrator Salary	\$56,833.54	\$63,000.00	\$63,000.00	\$67,000.00	\$4,000.00
504 Admin-Administrator's Payroll Taxes	\$5,531.27	\$4,800.00	\$4,800.00	\$6,000.00	\$1,200.00
550 Admin-D&O / Liability Insurance	\$9,601.04	\$12,000.00	\$9,331.00	\$9,601.04	\$270.04
560 Admin-Cont Ed, Travel & Seminar	\$200.00	\$5,000.00	\$5,000.00	\$200.00	(\$4,800.00)
561 Admin-Student Loan/Cont Ed-Med Personnel	\$1,651.55	\$5,000.00	\$5,000.00	\$2,000.00	(\$3,000.00)
562 Admin-Travel & Mileage Reimbursed	\$0.00	\$1,500.00	\$1,500.00	\$0.00	(\$1,500.00)
571 Admin-Office Supplies and Expenses	\$3,540.06	\$6,800.00	\$6,800.00	\$4,500.00	(\$2,300.00)
572 Admin-Web-Site	\$485.00	\$1,500.00	\$1,500.00	\$500.00	(\$1,000.00)
573 Admin-Copier Lease/Contract	\$2,560.31	\$2,500.00	\$2,500.00	\$2,776.00	\$276.00
590 Admin-Election Cost	\$0.00	\$5,000.00	\$5,000.00	\$0.00	(\$5,000.00)
591 Admin- Notices & Fees	\$2,546.69	\$5,000.00	\$5,000.00	\$2,600.00	(\$2,400.00)
592 Admin-Rent	\$7,500.00	\$7,080.00	\$7,080.00	\$11,580.00	\$4,500.00
598 Admin-Building Maintenance	\$2,456.06		\$0.00	\$3,000.00	\$3,000.00
602 IC-WCH 1115 Waiver UC/IGT Prog	\$109,171.59	\$450,000.00	\$102,657.38	\$109,171.59	\$6,514.21
603A IC-Pharmaceutical Costs	\$66,520.72	\$110,000.00	\$110,000.00	\$73,000.00	(\$37,000.00)
604a IC-Non Hosp. Costs-Other	\$518.78	\$5,000.00	\$5,000.00	\$1,000.00	(\$4,000.00)
604b IC-Non Hosp. Costs-UTMB	\$171,656.09	\$250,000.00	\$250,000.00	\$200,000.00	(\$50,000.00)
605 IC-Office Supplies/Postage	\$351.98	\$1,200.00	\$1,200.00	\$500.00	(\$700.00)
608 IC-Non Hosp. Cost-Special Programs					
611 IC-Indigent Care Director Salary	\$43,000.00	\$45,000.00	\$45,000.00	\$48,333.33	\$3,333.33
612 IC-Payroll Taxes for Director	\$3,239.07	\$3,500.00	\$3,500.00	\$4,000.00	\$500.00
616 IC-Travel	\$677.90	\$550.00	\$550.00	\$700.00	\$150.00
617 Youth Counseling	\$5,695.00	\$5,000.00	\$5,000.00	\$6,300.00	\$1,300.00
630 NH Program - Mgt Fees	\$7,447,855.99	\$6,515,281.34	\$8,752,055.52	\$9,178,042.96	\$425,987.44
631 NH Program IGT	\$15,711,281.71	\$14,502,853.30	\$17,590,711.32	\$17,495,678.66	(\$95,032.66)
632 NH Telehealth Expenses	\$128,750.70		\$154,500.82	\$154,501.15	\$0.33
634 NH Program-Legal Fees	\$192,371.54	\$190,000.00	\$190,000.00	\$220,000.00	\$30,000.00
635 NH Program-LTC Fees	\$1,506,000.00	\$1,606,000.00	\$1,692,000.00	\$1,656,000.00	(\$36,000.00)
637 NH Program-Interest Expense	\$2,011,695.91	\$1,725,490.68	\$2,109,782.67	\$2,108,851.64	(\$931.03)
640 Nursing Home Acquisition Fees	\$0.00	\$2,500.00	\$2,500.00	\$0.00	(\$2,500.00)
Total Expense	\$28,171,223.80	\$26,142,768.42	\$31,908,898.07	\$32,143,765.73	\$234,867.66
Net Income	\$3,119,707.71	\$1,946,447.60	\$3,337,690.00	\$4,417,199.27	\$1,079,509.27

Some highlights of the discussion regarding the final Budget Amendment were:

- Final budget reflects an increase of Net Income by \$2,470,751.67. The reason being, the original Budget estimates for the Quality Incentive Payment Program were very conservative and the nursing homes operated by the District over-achieved.
- In addition, the expenses associated with the services to indigent care were less than budgeted. In particular, the District's pharmacy expenses were \$37,000.00 less than originally budgeted and the payments to UTMB were \$50,000.00 less than budgeted.

- Moreover, the Committee is going to recommend to the full Board that the District set up a restricted Capital Improvement Account and fund it with \$150,000.00 not spent on property acquisition in 2020. Thereafter, if the property acquisition line item has a balance, the balance will be transferred to the Capital Improvement Account.

As for the 2021 budget, the proposed budget, the net income for the District is expected to increase by \$1,834,958.72 to \$6,227,157.99. The highlights of the proposed budget are set forth below:

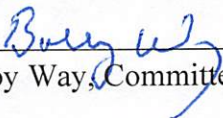
	Budget Amendment 4 December 16, 2020	2021 Draft Budget	Diff bw Final 2020 & 2021 Proposed	NOTES
Revenue				
400 Sales Tax Revenue	\$650,000.00	\$550,000.00	(\$100,000.00)	Sales taxes in 2020 do not reflect the Denberry payment. This was in 2019. Sales tax payments in 2020 totaled \$677,492.24. This may be low.
415 Nursing Home-QIPP Programs	\$35,851,765.00	\$49,379,998.72	\$13,528,233.72	
Total Income	\$36,560,965.00	\$49,989,198.72	\$13,428,233.72	
Expense				
601 IC-Pmt to Hosp (Indigent)	\$196,669.36	\$550,330.00	\$353,660.64	Budget Amendment 4 includes annual payment to hospital 2020 Budget includes balance of funds due from April 2020 payment (i.e., \$253,330); \$167,000 approved for equipment in 2020; and the generator for \$130,000.00.
607 IC-Non Hosp. Costs-WSEMS	\$1,000.00	\$223,000.00	\$222,000.00	Includes \$125,000.00 per year for one employee 7/24s; and \$98,000.00 for transport vehicle.
608 IC-Non Hosp. Cost-Special Programs		\$25,000.00		<u>New line item</u> : Expanded dental, vision, and hearing services.
629 Property Acquisition	\$150,000.00	\$150,000.00	\$0.00	Recommended creating an account and depositing \$150,000.00 for unused 2020 funds to be restricted for future capital expenses, including land acquisitions.
Total Expense	\$32,143,765.73	\$43,762,040.73	\$11,593,275.00	
Net Income	\$4,417,199.27	\$6,227,157.99	\$1,834,958.72	

Other than Nursing Home QIPP cost, the proposed budget accounts for the following:

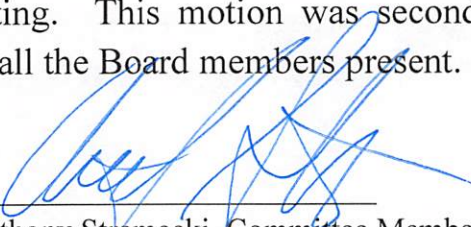
- **601 IC-Pmt. to Hospital:** Includes the balance of funds from the April 2020 payment to the hospital for personnel in the amount of \$450,000.00. This is \$253,300.00 but the Committee is requesting authority to meet with the Hospital to determine an indigent care payment amount for 2021 and to take-- into account: 1) the actual Medicaid rate as agreed to in the agreement; and the values for the prior five (5) years that have been traditionally assessed.

- **601 IC-Pmt. to Hospital:** The 2021 Budget includes payment for ventilators, Covid-19 testing, and generator for air conditioning.
- **607 IC-Pmt. to WSEMS:** Purchase of transport van and payment for one (1) employee on a 24/7 basis.
- **608 IC-Non-Hosp. Cost-Special Programs:** The Committee recommended this agenda item to help pay for additional health care such as dental care, vision, and hearing services. Moreover, a portion of the funds in this line can be used to update the prior FQHC to determine if there are any new funding options and programs that may be available.
- **629 Property Acquisition:** As with 2020, the Committee agreed to recommend the funding of Property Acquisition in the amount of \$150,000.00. If the money is not used, the Committee recommended that if the funds were not used, that they be deposited into a new Capital Improvement Account.

After a lengthy discussion of the proposed budget amendments and proposed upcoming budget, the Committee agreed to submit the proposed amendments to the 2020 Budget and the 2021 Budget as discussed in the meeting and reflected above in **Exhibit "B"**. There being no further business, a motion was made at 6:22 p.m. by Director Stramecki to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.



Bobby Way, Committee Member



Anthony Stramecki, Committee Member