

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

The agenda for the special 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 6:30 p.m. on the 4th day of March 2015, at the Winnie Community 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. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Hubert Oxford, IV, District Attorney; Mary Ellen Robertson, District CPA; and a number of interested citizens listed on **Exhibit "A"**.

At approximately 6:37 p.m., a quorum was established and Chairman Henry made introductions which were followed by a request for public comment. There being no public comment, Chairman Henry asked the Board to consider and take action on Agenda Item No. 3, to review and approve financials and payment of invoices. No action was taken on this agenda item as there were no invoices to be paid.

The Board then turned to Agenda Item 4, to discuss and take action on approving funding documents for the 2nd Quarter 2015 Nursing Home UPL Program. **See Exhibits "B-1", "B-2", and "B-3"**. Attorney Oxford explained that these documents were the same as the District had previously agreed to in order to secure funding for operations of nursing homes, including

making an Intergovernmental Transfer (“IGT”) in order to participate in the Nursing Home UPL Program for the 2nd Quarter 2015. After a review of the documents, Director Espinoza made a motion to approve the Chairman to execute the Promissory Note; Security Agreement; and Block Agreement set forth in **Exhibits “B-1”, “B-2”, and “B-3”**. This motion was seconded by Director Rollo with the unanimous consent of all Board members.

Chairman Henry then asked the Committees to give reports per Agenda Item No. 5. First off was Director Espinoza for the Building Committee. Director Espinoza advised the Board that the committee was still trying to get some feedback from Neches Engineering on a Windstorm certificate for the new building on Highway 124 in Winnie, Texas. But otherwise, the Building Committee had nothing further to report. Chairman Henry then asked director Murrell give a committee report for the Finance Committee. Director Murrell informed the Board the Finance Committee had met before the meeting to discuss: 1) amending the budget, 2) establish a minimal balance goal for the District; and 3) payment of funds to the Hospital but requested to defer the committee’s recommendations until Agenda Items Nos. 6 and 9. Likewise, Director Burgess and Rollo requested that the Indigent Health Care Committee and Personnel Committees give their committees’ reports when Agenda Item No. 7 is discussed.

Therefore, Chairman Henry called on Director Murrell to discuss and take action, if necessary on Agenda Item No. 6, amending the budget for 2015. Director Murrell advised the Board that the Finance Committee met prior to the meeting with the District’s CPA to discuss amending the District’s Budget and to establish a minimum balance goal for the District. According to Director Murrell and Mrs. Mary Ellen Robertson, the Finance Committee recommended that the budget for 2015 needs to be amended to account for the payments to the Winnie Community Hospital during 2015 in the amount of \$3,750,000.00; salary for the Indigent

Care Director; benefits; and payroll taxes; and reduced the projected cost for participation in the Nursing Home UPL program. A copy of the proposed amendments to the 2015 Budget is attached hereto as **Exhibit "C"**. In addition, Finance Committee made a recommendation that the Board set aside \$600,000.00 for reserves and going forward, attempt to maintain \$600,000.00 as a minimal balance in the District's accounts. In light of these recommendations by the Finance Committee, Director Espinoza made a motion to accept the Committee's recommendation to amend the 2015 Budget as set presented in **Exhibit "C"** and to set aside \$600,000.00 in savings for the District. This motion was seconded by Director Rollo with the unanimous consent of all Board members present.

The Board was asked to move past Agenda Item No. 7, to discuss and take action, if necessary, on hiring an Indigent Care Director to Agenda Item No. 8, to discuss and take action on approving the Indigent Care Agreement between the Winnie Community Hospital and the District. Attorney Oxford advised the Board that he had worked with counsel for the Hospital, Chris Portner on finalizing an Indigent Care Agreement that provided funding to the Hospital of the \$3,750,000.00 during the course of the year yet also secured reporting requirements by the Hospital on a monthly basis of information needed by the District to assess the District's Indigent Care Program. A copy of the redlined version Agreement, with comments, is attached as **Exhibit "D-1"**. After Attorney Oxford's extensive review of the agreement, Director Murrell made a motion to approve the Indigent Care Agreement as finalized in **Exhibit "D-2"**. This motion was seconded by Director Espinoza with the unanimous consent of all Board members.

Following the approval of the Indigent Care Agreement, Chairman Henry deferred to Director Murrell to address Agenda Item 9, on distributing funds received from the Nursing Home UPL Program. Director Murrell informed the Board that the Finance Committee also

discussed the District's obligation to the Winnie Community Hospital during its earlier meeting and was recommending that the District make payments per the following schedule:

1. \$1,300,000.00 February;
2. \$700,000.00 in April;
3. \$800,000.00 in August; and
4. \$950,000.00 in February 2016.

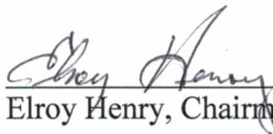
In addition, Director Murrell advised the Board the payments of these funds would be subject to their availability and maintaining a minimum of \$600,000.00 in the District's savings accounts. With this said, Director Murrell made a motion to fund the District's commitment per the Indigent Care Agreement of \$3,750,000.00 in the amounts set forth above subject to the funds being available and the District being able to maintain \$600,000.00 in its savings accounts. This motion was seconded by Director Espinoza, with the unanimous consent of all Board members.

Chairman Henry called the Board into executive session at 7:45 p.m. for purposes of discussing personnel matters pursuant to Section 551.074 of the Texas Government Code. The executive session lasted until 8:46 p.m. The executive session was taped by electronic device and a copy of the recorded session has been filed with minutes of this meeting in a sealed envelope.

Upon the return to open session, Chairman Henry asked the Board to address Agenda 7, to discuss and take action, if necessary, hiring an Indigent Health Care Coordinator/Director. It was discussed that there had been six applications submitted for the position and the Personnel Committee had interviewed all six applicants and was ready to extend an offer to Donna Sonnier because the Committee felt her resume, interview, experience, and personality would best fit the District's needs. **See Exhibit "E"** for a copy of Mrs. Sonnier's resume. As such, a motion was

made by Director Burgess to hire Donna Sonnier for the Indigent Care Director's position and to pay Mrs. Sonnier \$56,000.00 per year with no insurance and no retirement benefits starting on March 9, 2015. This motion seconded by Director Espinoza with the unanimous consent of all Board members present.

A motion was made by Director Espinoza and was seconded by Director Burgess, with the unanimous consent of all Board members to adjourn at 8:55 p.m.



Elroy Henry, Chairman



Jeff Rollo, Vice-Chairman