

**MINUTES  
BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
REGULAR SESSION**

**September 9, 2015**

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The Nueces County Hospital District Board of Managers met in **REGULAR SESSION** in the NCHD Board Room at 555 N. Carancahua, Suite 950-A on Wednesday, September 9, 2015 at 12:15 p.m., Corpus Christi, TX 78401.

**HOSPITAL DISTRICT REPRESENTATIVES:**

Jonny F. Hipp, Administrator/CEO  
Dena B. Bruni, Assistant Administrator, Administrative Services  
Donna Littlefield, Director, Accounting & Finance  
Wm. DeWitt Alsup, Attorney, Alsup Law Firm  
Catherine Heller, Assistant County Attorney  
Sara G. Lopez, Administrative Specialist  
Carmen H. Ramos, Administrative Assistant

**OTHER(S) PRESENT:**

Mike Carrell, Regional President, Frost Bank  
Traci Arrellano, Assistant VP, Frost Bank  
Jennifer Grove, Assistant VP, Frost Bank  
Matt Woolbright, Reporter, Caller Times

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1. **Call to Order** - Mr. Huseman, Chairman  
The meeting was called to order by Mr. Huseman at 12:40 p.m.
  2. **Establishment of Quorum** - Mr. Huseman  
A quorum was present with six members in attendance.

Van Huseman, Chairman - PRESENT  
Raymond F. Wetegrove, Member - PRESENT  
Rodney J. Hart, Member - PRESENT  
Irma Caballero, Member - PRESENT  
Robert N. Corrigan, Member - PRESENT  
John E. Valls, Member - PRESENT

Claude "Cal" Jennings, Vice Chairman - ABSENT

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3. **PUBLIC COMMENT:**

None requested. Copy "Request to Speak Sign-In Sheet" is attached hereto for information.

4. **CONSENT AGENDA:**

On motion by Mr. Wetegrove, seconded by Mr. Valls, the Board of Managers voted to accept, adopt, approve, authorize(s) and or ratify the following consent agenda items: A.1-8 and B.1-7 as presented. **MOTION CARRIED.**

A. **Board of Managers:**

- 1) Approved minutes of June 9, 2015 Board of Managers regular meeting.
- 2) Received listing of new vendors as of September 2, 2015; vendor listing pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

Copy of Nueces County Hospital District Vendor Information List is attached hereto and made a part of these minutes.

- 3) Received hospital providers' reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver; receive provider' reports for the calendar quarter ended June 30, 2015:
  - a) Christus Spohn Health System Hospitals: Alice, Beeville, and Kleberg (Joint Report);
  - b) Corpus Christi Medical Center;
  - c) DeTar Healthcare System; and
  - d) Driscoll Children's Hospital.

Copies of the hospital providers' reports relating to Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medical 1115 Waiver for calendar ended June 30, 2015 are attached hereto and made a part of these minutes.

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- 4) Announced meeting scheduled for Calendar Year 2016 Board of Managers and Board Committee meetings.

Copy of Calendar Year 2016 Board of Managers and Board Committee meetings is attached hereto for information and made a part of these minutes.

- 5) Ratified Amendment No. 5 to Letter Agreement with Health Management Associates relating to the Hospital District's Anchor Entity responsibilities under the Texas Health and Human Services Commission's Transformation and Quality Improvement 1115 Waiver Program.

Copy of Amendment No. 5 to June 12, 2012 Letter Agreement between Health Management Associate, Inc. and Nueces County Hospital District is attached hereto and made a part of these minutes.

- 6) Ratified Agreements with Naismith Engineering, Inc. for owner's representative services relating to upcoming Christus Spohn Health System Corporation-paid activities on the Christus Spohn Hospital Corpus Christi-Memorial campus located at 2606 Hospital Boulevard, Corpus Christi, Texas 78405, including construction of a new ambulatory health center and eventual removal of the hospital complex buildings located on the campus.
- a) Temporary Letter Agreement applicable to period June 9, 2015 - July 31, 2015; and
- b) Engineering Services Agreement applicable to period of August 1, 2015 - September 30, 2016.

Copies of Naismith Engineering, Inc., Temporary Letter of Agreement dated June 19, 2015 and executed June 22, 2015 by NCHD Administrator Jonny F. Hipp and Engineering Services Agreement for Owner's Representative Services for Memorial Property Improvements are attached hereto and made a part of these minutes.

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- 7) Approved Amendment No. 1 to Administrator's Employment Agreement relating to classified of expenses for performance pay calculation and inclusion of additional employee retirement plan option void of employer contribution.

Copy of Amendment No.1 to Nueces County Hospital District Administrator's Employment Agreement for the period of October 1, 2014 through September 30, 2018 and its Attachment "A" is attached hereto and made a part of these minutes.

- 8) Received copy of Tenant Estoppel Certificate requested by and submitted to T2 Building, LP (Tower II Landlord) relating to sale of Tower II.

Copy of Tenant Estoppel Certificate dated August 17, 2015 Re: Lease dated October 22, 2002 and executed by NCHD Administrator August 18, 2015 is attached hereto and made a part of these minutes.

**B. Finance Committee:**

- 1) Received revenue report relating to Christus Spohn Health System Corporation Membership Agreement for current fiscal year-to-date.

Copy of Nueces County Hospital District - Spohn Corporate Member Revenue Analysis report for FY 2015 is attached hereto and made a part of these minutes.

- 2) Received summary report of intergovernmental transfers in support of the Medicaid 1115 Waiver-related Texas Healthcare Transformation and Quality Improvement Program sponsored by the Texas Health and Human Services Commission for fiscal year-to-date.

Copy of the Nueces County Hospital District 1115 Waiver Program Intergovernmental Transfer Activity report is attached hereto and made a part of these minutes.

- 3) Received summary information relating to medical and hospital care provided to the Nueces Aid population consistent with the Christus Spohn Health System Corporation Membership Agreement for calendar year-to-date ended July 31, 2015.

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Copy of summary information relating to Nueces County Hospital District Imputed Claims Experience for Calendar Year 2015 As if Adjudicated January 1, 2015 through July 31, 2015 is attached hereto and made a part of these minutes.

- 4) Received summary payment information for current fiscal year-to-date:
- a) Medical services at Nueces County juvenile detention facility;
  - b) Emergency medical services in unincorporated areas of Nueces County;
  - c) Supplemental funding for Behavioral Health Center of Nueces County; and
  - d) Salaries, benefits, and supplies at Corpus Christi/Nueces County Public Health Department.

Copy of summary payment information is attached hereto and made a part of these minutes.

- 5) Adopted Board of Managers Resolution committing a portion of the September 30, 2015 fiscal year-end General Fund balance to the subsequent fiscal year for unpaid Demonstration Year No. 4 intergovernmental transfers under the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver.

**Original executed resolution is attached hereto and made a part of these minutes.**

- 6) Ratified Letter Agreement pertaining to Christus Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage for the fiscal year October 1, 2015 - September 30, 2016; Allocation Percentage established pursuant to Membership Agreement, Section 7.03(a).

**Copy of Letter Agreement dated September 9, 2015 from Gjerset & Lorenz, LLP Law Firm regarding the 2016 Revenue Allocation Percentage is attached hereto and made a part of these minutes.**

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- 7) Adopted a Board of Managers Resolution amending listing of approved investment officer training sponsors to add additional face-to-face sponsors, add Internet-based sponsors, remove an existing sponsor, and reaffirm prior approval of non-removed sponsors; approval in accordance with Texas Government Code, §2256.008(a)(2).

**Original executed resolution and its Attachment "A" of approved investment training independent sponsors list with effective date of September 10, 2015 is attached hereto and made a part of these minutes.**

5. **REGULAR AGENDA:**

A. **Finance Committee:**

- 1) **Receive information relating to final payment of Nueces County Hospital District Limited Tax Refunding Bonds, Series 2003 issued to refund prior Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993; final principal and interest payment on Series 2003 Refunding Bonds made July 1, 2015 - INFORMATION**  
Mr. Hipp announced the Hospital District received written certification that the Nueces County Hospital District Limited Tax Refunding Bonds Series 2003 were paid off as of July 1, 2015.

**Copy of Wells Fargo Bank letter received at Nueces County Hospital District administrative offices on September 3, 2015 is attached hereto for information and made a part of these minutes.**

- 2) **Receive unaudited financial statements for the months and fiscal year-to-date periods ended May 31, 2015 - July 31, 2015 - INFORMATION**  
Ms. Littlefield presented the unaudited financial statements for the months and fiscal year-to-date periods ended May 31, 2015 - July 31, 2015. A brief discussion followed relating to the highlights of the unaudited financial statements.

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Copies of the unaudited financial statements for periods ended May 31, 2015 - July 31, 2015 are attached hereto and made a part of these minutes.

3) **Receive investment reports and ratify related investment transactions: INFORMATION**

The Board of Managers received and ratified the Quarterly Investment Report for fiscal quarter ended June 30, 2015; and Interim Investment Transactions Report for the period of July 1, 2015 to present.

- a) Quarterly Investment Report for fiscal quarter ended June 30, 2015; and
- b) Interim Investment Transactions Report for period of July 1, 2015 to present.

Copies of investment and transaction reports for the periods noted above are attached hereto for information and made a part of these minutes.

4) **Adopt Board of Managers Resolutions relating to approval of the Fiscal Year 2016 Annual Budget for the period October 1, 2015 - September 30, 2016: ACTION**

On motion by Ms. Caballero, seconded by Mr. Wetegrove, the Board of Managers adopted resolutions relating to the approval of Fiscal Year 2016 Annual Budget for the period October 1, 2015 - September 30, 2016 as presented below: **MOTION CARRIED.**

- a) Adopt a Resolution approving supplemental funding in the FY 2016 Annual Budget for the Behavioral Health Center of Nueces County and approving related matters;
- b) Adopt a Resolution approving funding in the FY 2016 Annual Budget for certain Nueces County-related healthcare expenditures and approving related matters; and

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- c) Adopt a Resolution approving FY 2016 Annual Budget, approval pursuant to Texas Health & Safety Code, §281.091(b); Annual Budget comprised of:
  - (1) Consolidated Budget, inclusive of General, Tobacco, and Indigent Care Funds; and
  - (2) Capital Budget.

**Original executed Resolutions and all Exhibits as applicable are attached hereto and made a part of these minutes. Copy of detailed memorandum dated September 3, 2015 highlighting revenues and expenses, Nueces County Hospital District Operating Budget FY 2015-2016 are attached hereto and made a part of these minutes.**

- 5) **Consider actions relating to selection of a depository for the four-year period October 2015 through September 2019 from applications received under Request for Applications No. 2015-01 (RFA); depository selection pursuant to Texas Health & Safety Code, §281.093 and Texas Local Government Code, Chapter 116, as applicable - ACTION**

On motion by Ms. Caballero, seconded by Mr. Wetegrove, the Board of Managers voted to approve the selection of Frost Bank for the Hospital District's funds depository for a four-year period October 1, 2015 through September 30, 2019 as presented. **MOTION CARRIED.**

- a) Receive information from and consider recommendation of depository evaluation committee relating to RFA and receive and consider other depository related information;
- b) Select qualified applicant offering the most favorable terms and conditions for handling District funds, and authorize the Administrator to notify the selected applicant of its selection and related requirement to file bond or security approved by the Board within 15 days as required by Texas Local Government Code, §116.024(e);



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- c) Direct the Administrator to retain the good faith guarantee instrument submitted by selected applicant until applicant has executed and filed a depository bond or security approved by the Board as required by Texas Local Government Code, §116.024©; and
- d) Direct the Administrator to return non-selected applicant's good faith guarantee instruments as required by Texas Local Government Code, §116.024©.

Copy of detailed memorandum dated September 3, 2015 and its Attachment #1, "B, C, & D"; Attachment #2 and #3 are attached hereto and made a part of these minutes.

**B. Indigent Care Provider's Briefing: INFORMATION**  
No briefing or report presented at this time.

- 1) Receive and discuss information from Christus Spohn Health System Corporation (Provider) relating to:
  - a) Medical aid and hospital care provided to the Nueces Aid program population consistent with the Christus Spohn Health System Corporation Membership Agreement and related matters; and
  - b) Programs, projects, and/or activities at Christus Spohn Hospital Corpus Christi-Memorial and other Hospital District-owned facilities and related matters.

**C. Administrator's Briefing: INFORMATION**  
As noted below:

- 1) Next Scheduled Board and Committee meetings:
  - a) Board Meeting: November 17, 2015; meeting time to be determined; and

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- b) Committee Meetings: November 17, 2015; meeting times to be determined:
  - (1) Planning Committee;
  - (2) Finance Committee; and
  - (3) Board of Managers.

6. **ADJOURN:**

There being no further business, the meeting adjourned at 1:10 p.m.

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**PRESIDING OFFICER:**

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Van Huseman, Chairman  
Board of Managers  
Nueces County Hospital District

**ATTEST:**

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Jonny F. Hipp, Secretary  
Board of Managers  
Nueces County Hospital District

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Wm. DeWitt Alsup, General Counsel  
Nueces County Hospital District