



NUECES COUNTY HOSPITAL DISTRICT
Administrative Offices

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BOARD OF MANAGERS RESOLUTION
SEPTEMBER 16, 2014

**A RESOLUTION AUTHORIZING THE USE OF
MEMORIAL MEDICAL CENTER HEALTH BENEFIT PLAN TRUST FUNDS**

WHEREAS, the Nueces County Hospital District (the "Hospital District") is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the "Health Code"), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

WHEREAS, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District's governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

WHEREAS, pursuant to the authority of Health Code, §281.026(d) and (e), the Hospital District's Administrator (the "Administrator") has the full power and authority to perform the acts described and resolved by the Board hereunder, and he is legally authorized and capable of performing such acts;

WHEREAS, the Hospital District established a Memorial Medical Center Health Benefit Plan Trust on January 1, 1993 (the "Trust"), and said Trust was amended on January 1, 1994; February 1, 2000; and August 8, 2000;

WHEREAS, legal counsel has previously opined the: (i) Trust is irrevocable and any remaining trust monies must be paid or be used for providing benefits to the employees, and said monies cannot be paid to the employer; and (ii) Trust monies, including annual interest income, may be used to reduce the employee's portion of the Hospital District's annual health insurance premiums;

WHEREAS, the Board has previously authorized the use of annual Trust interest income to reduce the employee's portion of the Hospital District's annual health insurance premiums for the periods December 1, 1999 to September 30, 2000 and October 1, 2000 to present;

WHEREAS, legal counsel has recently opined that Trust monies, including annual interest income, may be used to: (i) pay the employee-only portion of the Hospital District's health insurance premiums; (ii) pay the employee-only portion of the District's vision insurance; (iii) reimburse District employees for employee-only out-of-pocket healthcare costs up to maximum annual caps approved by the Administrator; and (iv) pay employee sick leave balances, subject to approved District Employee Policy buy-back provisions as approved by the Administrator (collectively, the "Allowable Trust Benefits"); and said Allowable Trust Benefits shall be temporary and shall be available only during the term commencing October 1, 2014 and expiring September 30, 2019, or earlier should the Trust's balance equal zero dollars (\$0);

WHEREAS, the unaudited balance of the Trust as of August 28, 2014 amounted to \$357,777.00 and the Trust's interest income has been used to subsidize the Hospital District employees' health insurance premiums, but due to negligible interest rates, the Trust has only been incurring trustee fees;

WHEREAS, considering that the Trust's trustee fees exceed its interest income, the Administrator recommends that the Trust be extinguished over an approximate five (5)-fiscal year period commencing October 1, 2014 and expiring September 30, 2019, or earlier should the Trust's balance equal zero dollars (\$0), by paying from the Trust the Allowable Trust Benefits for benefit of the Hospital District's employees; and the Allowable Trust Benefits shall never become a charge or obligation of the Hospital District other than those granted by this Resolution by use of the Trust funds, and the Allowable Trust Benefits shall expire when the term ends, or earlier should the Trust's balance equal zero dollars (\$0); and

WHEREAS, commencing October 1, 2014, the Board desires that this Resolution supersede and replace the Board's previous Resolutions relating to authorized uses of Trust funds as were adopted on February 1, 2000 and August 8, 2000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. Effective October 1, 2014, the Board rescinds its previous Resolutions relating to authorized uses of Trust funds as were adopted by the Board on February 1, 2000 and August 8, 2000;
2. Commencing October 1, 2014 and expiring September 30, 2019, or earlier should the Trust's balance equal zero dollars (\$0), the Board authorizes the Administrator to pay from the Trust the Allowable Trust Benefits for benefit of the Hospital District's employees;
3. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.

4. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.

5. This Resolution shall take effect and be in full force and effect upon and after its passage.

6. The Board retains its right to amend or repeal this Resolution.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Van Huseman
Chairman

Claude C. Jennings, C.P.A.
Vice Chairman

Raymond F. Wetegrove
Member

Rodney J. Hart, P.E.
Member

Dan Winship
Member

Irma Caballero
Member

Robert N. Corrigan, Jr.
Member

5. The attached Resolution is a true and correct copy of the original on file in the official records of the Hospital District; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, Texas Government Code, as amended.

6. We the Board Secretary and General Counsel have been duly appointed by the Board.

7. The foregoing Resolution is in full force and effect; that the same has not been rescinded, nor has it been amended or modified in any way.

IN WITNESS WHEREOF, we have hereunto signed our names officially and affixed the seal of the Hospital District on this the 16th day of September, 2014.

Jonny F. Hipp
Secretary, Board of Managers

{HOSPITAL DISTRICT SEAL}

Wm. DeWitt Alsup
General Counsel