

**Tomball Hospital Authority DBA Tomball Regional Health Foundation
Board of Directors Minutes – January 24, 2024**

Present: Jim Ross-Chairman, Tom Kikis-Vice Chairman, Christina Nash-Treasurer, Danny Marburger, Sharon Frank, Lori Wilson, Bill Hogue, TJ Tijerina, Jack Smith

Present Via Zoom: Margarete Yacoubian

Absent: Vicki Clark-Secretary

Also, Present: Jeffrey Klein-CEO, Sarah Dill-Administrative Manager, Karla Velasquez-Myrtle Cruz, Paul LeBouef, Russell Kent, Melissa Greer, Angela Caraway-all with Wells Fargo.

Also, Present Via Zoom: Robert Spurck-Attorney with Reed Claymon

- I. Call to Order:** Jim Ross called the meeting to order at 4:06 pm and read the Foundation's Mission Statement.
- II. Approval of Minutes:** November 29, 2023, Board Meeting Minutes were reviewed. *A motion was made by Jack Smith to accept the November Minutes and seconded by Lori Wilson. Motion carried.*

III. Community Input: None.

IV. Monthly Financial Reports:

- A. Financials-**Karla Velasquez reviewed the December 2023 Balance Sheet and Profit and Loss Sheet. Total assets as of December 31, 2023, were \$126,461,25923. Expenses are under budget. Jeffrey reviewed the cash report.
A motion was made by Sharon Frank and seconded by Danny Marburger to accept the December 2023 financials. Motion carried.
- B. Wells Fargo** reviewed the December Portfolio and gave the quarterly review. Russell Kent reported that our portfolio is up 24% over the last 12 months and that the annualized return is 8% since inception 7 years ago gaining \$62 million. Russell also reported that for the first time in recent memory we're making money in Fixed Income with a total return over the last 12 months of 7.23%. Currently, 68% of our portfolio is in equities and we'll need to trim that back to 65% to stay in line with our investment policy. TJ inquired as to where Wells Fargo pulls the funds from for our monthly transfers, also asking if more should be kept in our Money Market with Frost Bank. That is something to be considered when we draft our RFP.

Jeffrey requested a funds transfer of \$350,000 from Wells Fargo to Frost Bank to be made on January 25, 2024.

A motion was made by Tom Kikis and seconded by Christina Nash to approve moving \$350,000 from Wells Fargo to Frost Bank on January 25, 2024. Motion carried.

- C. Project Funding Summary-** Jeffrey reviewed the 2024 Project Funding report. We're currently projected to spend \$3,286,5942 leaving \$784,629 to fund using a 4% spend rate.
- D. Spend Rate Calculation and Calculation Length-** Jeffrey reported that the spend rate went up slightly in December with our portfolio's increase. The Finance Committee discussed whether a 12-quarter spend rate average was too long to adequately respond to fluctuations in the Market and recommended the Board consider an 8-quarter average. *A motion was made by Tom Kikis and seconded by Christina Nash to reduce the spend rate calculation length to 8 quarters from 12 quarters. Motion carried.*
- E. 2024 Budget Expense Revisions-** The accounting line item will be reduced by \$10,000 by moving from Myrtle Cruz to our new accounting contractor, Lori Ivey. With the unknown expenditures related to starting our building project, Jeffrey let the Board know he is leaving that \$10,000 with accounting until it is clear where to move it.
- F. Payment Safeguards Including Electronic Payment vs. Payment by Check-** Vicki Clark is researching the fees and process for the Board to consider adopting electronic payment processing. Vicki was not present, so this will be tabled until February's meeting.

V. CEO Report:

- A. Presentation by Mosaics of Mercy-** Jamie Freels-Runey, Executive Director, and Dr. Paulraj Samuel, Vice Chair, of Mosaics of Mercy addressed the Board to provide a better understanding of what Mosaics of Mercy does in the mental health community. Maggie Yacoubian is going to speak with them as well and provide additional input to the Board. The board asked for Mosaics funding request to be placed on the February agenda.
- B. Replacement for Myrtle Cruz for Contracted Accounting Position-** Lori Ivey is meeting with our current bookkeeper with Myrtle Cruz to begin the transition. Our 18-month audit with Weaver will begin the week of February 14th. Myrtle Cruz will stay with us through the audit.
- C. Next Steps in Investment Advisor Review and RFP Development-** Jeffrey reviewed the potential investment advisors he has met with along with the Finance Committee's recommendation of pursuing RFPs from Goldman Sachs, Hirtle Callaghan, Moody Bank, and Wells Fargo. They also recommended we repeat the RFP process every five years to ensure our portfolio is being maximized. *A motion was made by Tom Kikis and seconded by Christina Nash to request RFPs from Goldman Sachs, Hirtle Callaghan, Moody Bank, and Wells Fargo. Motion carried.*
- D. Reed Claymon Legal Fee Invoice-** The legal fee invoice for September through December 2023 was reviewed by the Board. Fees are more than \$7500 under budget. *A motion was made by Jack Smith and seconded by Lori Wilson to accept Reed Claymon's invoice for TRHF legal fees. Motion carried.*

E. Executive Team Engagement Summary-December and January's engagement team summaries were presented for review. Jeffrey informed the Board that he met with Paradigm Construction and Boatman Construction for some initial insight into their thoughts on our construction project. The Board reviewed Paradigm's PowerPoint and then discussed finding a project manager or architect to oversee the project. It was determined a Building Committee is not required at this time. A Board meeting was set for February 7, 2024, 4:00 pm, for the Board to bring their ideas and to further discuss thoughts on size, rooms, parking, property usage, etc.

VI. Funding Partner Updates:

- A. TOMAGWA-**December invoices in the amount of \$54,205.25 were reviewed.
- B. Procedures for New Funding Partners Express Funding Application-**Jeffrey reviewed the criteria for the express funding application. The board agreed with Jeffrey's proposal.
A motion was made by Christina Nash and seconded by TJ Tijerina to approve the express funding application. Motion carried.
- C. Strategy for Check Presentations to our Funding Partners-**Jeffrey made the Board aware that they will receive invitations periodically to check presentations for those partners awarded funds in 2024 and that our partner organizations would value their participation.
- D. American Heart Association Heart Ball-**the AHA is honoring TRHF and eight other major contributors at their ball on February 24th and are providing a table for our Board to attend. Interested board members should RSVP to Sarah.

VII. Employee Benefit Contributions for 2024:

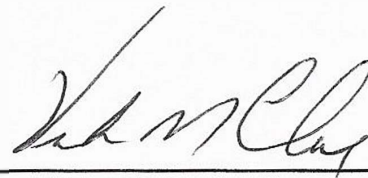
Jeffrey contacted the Texas County and District Retirement System to inquire about whether TRHF qualifies for their retirement benefits. They confirmed that TRHF does qualify, and they are preparing information to present the options to our Board. This would replace the current process of contributing to employee SEPs and would allow for 2024 employee contributions.

VIII. Closed Session-The Board went into closed session at 6:03 pm to discuss matters concerning employee retirement funding.

IX. Open Session-the Board came back into open session at 6:07 pm and announced they decided to make a 7% contribution to the 2023 employee SEP plans.
A motion was made by Tom Kikis and seconded by Jack Smith to make a 7% contribution to the employee SEP plans. Motion carried.

X. Adjournment

A motion was made by Sharon Frank to adjourn the meeting at 6:08 pm and seconded by Christina Nash. Motion carried.



Vicki Clark (Secretary)