

**Tomball Hospital Authority DBA Tomball Regional Health Foundation
Board of Directors Minutes – May 22, 2024**

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

Present Via Zoom: None

Absent: Vicki Clark-Secretary

Also, Present: Jeffrey Klein-CEO, Sarah Dill-Administrative Manager,

Also, Present Via Zoom: Kevin Reed-Attorney with Reed Claymon, Russell Kent, Melissa Greer, Angela Caraway, Paul Lebouef-all with Wells Fargo

- I. **Call to Order:** Jim Ross called the meeting to order at 4:01 pm and read the Foundation’s Mission Statement.
- II. **Approval of Minutes:** April 24, 2024, Board Meeting Minutes were reviewed. *A motion was made by Tom Kikis to accept the April 24, 2024, Minutes and seconded by Christina Nash. Motion carried.*
- III. **Community Input:** None
- IV. **Monthly Financial Reports:**
 - A. **Financials-**Jeffrey reviewed the April 2024 Balance Sheet and Profit and Loss Sheet. Total assets as of April 30, 2024, were \$129,870,669.48 which is down from the previous month due to our portfolio dropping \$5 million. Currently, the market has rebounded, and we have regained that loss. Expenses are under budget.
A motion was made by Jack Smith and seconded by Lori Wilson to accept the April 2024 financials. Motion carried.
 - B. **Wells Fargo** reviewed the April Portfolio. Russell Kent reported that our portfolio is currently up \$5.8 million. Since the close form April. Over the last 12 months, the portfolio is up 17.4% and up 8.2% since inception, June 2016, gaining almost \$67 million. Equities are up 26.65% over the last 12 months. Russell is aligning our portfolio to maximize bonds once interest rates start dropping. The Board appreciated the new report showing benchmarks. TJ thanked Russell for shocking the portfolio to see how it would perform. Jeffrey informed the Board that a monthly funds transfer from Wells Fargo to Frost Bank will not be necessary.
 - C. **Weaver Audit Renewal for 2025-**the Executive Committee recommended we continue utilizing Weaver as our auditing firm and approved signing the engagement letter.
A motion was made by the Executive Committee to contract with Weaver to audit our 2024 financials and a second was made by Lori Wilson. Motion Carried.

D. Project Funding Summary-Jeffrey reviewed the updated Project Funding report. We're currently projected to spend \$3,316,942 leaving \$567,900.50 to fund using an 8-quarter average at a 4% spend rate. Some organizations did not utilize all their first quarter funding, so currently we're \$100,000 under budget for funding paid.

V. CEO Report:

A. Financial Firms who submitted RFP update-Jeffrey reported that the Finance Committee met with and heard the proposals from Goldman Sachs and Wells Fargo. The Finance Committee recommends we continue utilizing Wells Fargo to manage our portfolio. Goldman Sachs gave a strong presentation and would be an excellent choice, but Wells Fargo's proven performance, competitive fees, and the committee's opinion of the Wells Fargo team led by Russell Kent, led them to recommend continuing with Wells Fargo. The Finance Committee asked Jeffrey to research our options if there is a significant change such as a change in the team that manages the portfolio. Jeffrey confirmed that we can give 30 days' notice to terminate the contract. Jeffrey also reviewed email correspondence with Melissa Greer regarding the fee structure. With our size portfolio, Wells Fargo has agreed to reduce our fees once the portfolio reaches \$150 million. Jeffrey also reported that three of the four financial institutions recommended TRHF build their own bond funds.

The TRHF Board authorizes the Chief Executive Officer to begin contractual negotiations with *Wells Fargo* for the treasury services of the Tomball Regional Health Foundation. If unable to negotiate a satisfactory contract with *Wells Fargo*, the Chief Executive Officer shall formally end negotiations and is authorized to begin negotiations with *Goldman Sachs*. If negotiations with *Goldman Sachs* are successful it will require Board approval.

A motion was made by Tom Kikis and seconded by Christina Nash to approve authorizing the CEO to begin contractual negotiations with Wells Fargo for treasury services of the Tomball Regional Health Foundation according to the conditions agreed upon. Motion carried.

B. Development of Medical Complex Drive update:

-The Board reviewed the site plans and discussed the size of the detention area required by Harris County. Detention is larger than expected, consuming approximately a third of our property.

-Jeffrey reported that he and Christina had a good meeting with the City of Tomball to review the site plans and the City saw no issue with the current plans.

-The property is currently zoned as agricultural but will need to be re-zoned as commercial. A public hearing will be held June 10, 2024, to approve. Vicki is acquiring the current title documentation needed from Stewart Title.

-The timeline to begin construction has been moved from December to October 2024.

-Jeffrey and Jim walked the property with landscape architect, Joy Wong.

-Jeffrey and Jim met with forestry consultants from Environmental Design. They will work on a tree plan to meet City of Tomball requirements and help us design the natural/park area to preserve as many trees as possible.

-The Board reviewed three detention plans from the civil engineer: dry bottom 6:1 or 3:1 with a concrete trough for drainage through the middle, or wet bottom pond 3:1 that would hold 6 feet of water and have 6 feet of catch. The city is fine with either option, but their wet pond recommendation is to include aeration and stock with fish to minimize mosquitos. They also said a wet pond would require less mowing related maintenance. Concern was mentioned regarding insurance liability with having a wet pond. Legal Counsel, Kevin Reed, recommended checking with our insurance carrier. Due to the high cost and maintenance, underground detention is not a consideration.

A motion was made by TJ Tijerina and seconded by Christina Nash to construct a wet detention pond on the Medical Complex Drive property. Motion carried.

-Jeffrey brought to the attention of the Board that the \$60,000 budgeted for the Medical Complex Drive Project is almost depleted due to architect fees. The Board agreed to budget an additional \$125,000 for 2024 Medical Complex Drive building related expenses.

A motion was made by TJ Tijerina and seconded by Danny Marburger to add \$125,000 to the Medical Complex Drive building project. Motion carried.

- C. Records retention plan update-**An agreement that covers HIPAA related records, has been signed and to give Jeffrey and Sarah time to prepare, VeriTrust is scheduled to retrieve the records July 9, 2024. VeriTrust will store the documents for a year and during that time will sort through them utilizing a retention specialist and develop a retention plan.
- D. Tomball Chamber of Commerce lease space update-** Brandy Beyer with the Tomball Chamber is working on the lease agreement for the space that the EDC currently occupies. TRHF we will move into that space once our lease is up October 31, 2024.
- E. Executive Team Engagement Summary-**Jeffrey reported that the Spring-Klein roundtable was very successful. More individuals attended than were invited. Bill Hogue gave a positive report emphasizing how pleased how was to see connections between organizations being made. He, along with Tom thanked Jeffrey and Sarah for making the roundtables so successful. The next roundtable will be held in Cypress at Cy-Hope end of August or early September.

VI. Funding Partner Updates:

- A. TOMAGWA's** monthly financials were reviewed. April funding paid was \$32,650.66. Their monthly financial packet was not sent in time for review by the Board. It will be emailed to the Board upon receipt.
- B. Applicants for First Time Funding Partner Application-**The Funding Committee approved bringing the five organizations who applied before the Board for approval.
 - **Foundation for Autism Care, Education and Services (F.A.C.E.S.)** is requesting \$10,000 in 2024 funding to provide scholarships for Applied Behavior Analysis treatment to families with autistic children in the TRHF area. This year, they have already awarded over \$30,000 to 12 families living in the TRHF service area.
The Funding Committee made a motion to approve funding the Foundation for Autism Care, Education and Services \$10,000 for scholarships for Applied Behavior

Analysis treatment for children with autism and Bill Hogue seconded the motion. Motion carried.

- **Family Ties** provides therapy and advocacy services to child and adult victims of sexual assault, domestic or family violence, and other crisis issues. They have offices in Waller and Cypress. They also provide housing for 17–22-year-old victims in Waller. They are requesting \$10,000 in funding for 2024 for 26 weekly group counseling sessions for trauma victims and related supplies. This will be the first organization to fit our new Victims of Trauma funding category.

The Funding Committee made a motion to approve funding Family Ties \$10,000 for group counseling and supplies for trauma victims and Jack Smith seconded the motion. Motion carried.

- **Raj Hope Foundation** provides educational, social, and physical fitness services to adults with intellectual and developmental disabilities who live in the Magnolia area. They are requesting \$10,000 in 2024 funding for equipment and supplies for their Adaptive Gardening Program, Adaptive Fitness Program, Adaptive Mobility Partner Program, and First Aid Preparedness Program.

The Funding Committee made a motion to fund Raj Hope Foundation \$10,000 in 2024 funding for equipment and supplies for their Adaptive Gardening Program, Adaptive Fitness Program, Adaptive Mobility Partner Program, and First Aid Preparedness Program and Maggie Yacoubian seconded the motion. Motion Carried.

- **The Rescue for PTSD** serves military veterans living with Post-Traumatic Stress Disorder by adopting and training shelter/rescue dogs to be service dogs. They also provide training for veteran's existing dogs if they qualify. They are requesting \$10,000 in 2024 funding for service dog adoption fees and related costs, heartworm & flea/tick preventative for graduated service dogs, and equipment and supplies for class participants.

The Funding Committee made a motion to fund The Rescue for PTSD \$10,000 in 2024 funding for the fees and supplies related to training dogs to be PTSD service dogs to veterans in the TRHF service area. Bill Hogue seconded the motion. Motion carried.

- **U.S. Vets Houston** is dedicated to ending veteran homelessness by aiding them and their families transition through the provision of housing, counseling, career development and comprehensive support. They are requesting \$10,000 in 2024 funding for driver salaries and wages, vehicle repairs and maintenance, and fuel to transport veterans to medical/mental health appointments across the area. The committee discussed concerns that U.S. Vets is a national organization and that there should be funds available to assist with transportation. The Board discussed their need of a new vehicle and the potential to assist with that purchase in the future. Jeffrey has connected them with a local auto dealer.

The Funding Committee made a motion to fund approve funding \$10,000 to U.S. Vets Houston for vehicle repairs, maintenance, and fuel excluding driver salaries and Jack Smith seconded the motion. Motion carried.

VII. Closed Session-the Board went into closed session at 5:37 pm to discuss personnel matters related to employee benefits and financing options for the building of the Tomball Regional Health Foundation offices on Medical Complex Drive.

VIII. Open Session-the Board came back into open session at 6:09 pm.

IX. Adjournment

A motion was made by Tom Kikis to adjourn the meeting at 6:10 pm and seconded by Jack Smith. Motion carried.



Vicki Clark (Secretary)