



NUECES COUNTY HOSPITAL DISTRICT
Administrative Offices

555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Phone: (361) 808-3300
Fax: (361) 808-3274

BOARD OF MANAGERS RESOLUTION
AUGUST 27, 2013

**A RESOLUTION INCORPORATING
FISCAL YEAR 2014 OPERATING BUDGET FUNDING
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

WHEREAS, the Nueces County Hospital District (the “Hospital District” or “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, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (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 Hospital District;

WHEREAS, pursuant to the statutory requirements of Health Code, §281.091(a), the Hospital District’s Administrator (the “Administrator”) has the duty of preparing an annual budget under the Board’s direction;

WHEREAS, the Hospital District’s Fiscal Year 2014 is October 1, 2013 through September 30, 2014;

WHEREAS, the District receives certain revenues from Christus Spohn Health System Corporation (“Member Revenues”), said revenues are funds made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and when Member Revenues are used for statutorily authorized expenditures, said expenditures qualify as a portion of the District’s annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in the Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.3(e)(2);

WHEREAS, on January 19, 1999, the Board adopted a Resolution creating a restricted Tobacco Settlement Fund (the "Tobacco Settlement Fund") and said resolution directed that all proceeds arising from the litigation styled, *The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91 in the United States District Court, Eastern District of Texas* (the "Tobacco Litigation"), be placed into said Fund;

WHEREAS, the Hospital District proceeds that arise from the Tobacco Litigation are revenues made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and when said revenues are used for statutorily authorized expenditures, said expenditures qualify as a portion of the District's annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in the Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.3(e)(2);

WHEREAS, in August 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, and 2013 the Nueces County Commissioners Court (the "Commissioners Court" or "Court") requested that the Board provide funding for certain statutorily authorized expenditures in the District's related Fiscal Years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, and 2014 Operating Budgets and the Board has undertaken such requests;

WHEREAS, in August 2013, Commissioners Court requested that the Board appropriate, in the Hospital District's Fiscal Year 2014 Operating Budget (the "FY 2014 Operating Budget"), funds sufficient to: [1] provide Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver-related intergovernmental transfers for the Corpus Christi-Nueces County Public Health District and/or reimburse Nueces County for County employees' salaries and benefits at the Corpus Christi-Nueces County Public Health District, and for certain public health supplies; [2] provide funds for emergency medical services calls made into the County, but outside any municipalities located in the County; [3] provide state matching funds and other funding to the Nueces County Mental Health and Mental Retardation Community Center; [4] reimburse Nueces County or direct pay inmate healthcare services at the juvenile detention facility; [5] direct pay inmate healthcare services at the county jail; [6] reimburse Nueces County for contributions to the Alcohol and Drug Rehabilitation Center a.k.a. Charlie's Place; [7] reimburse Nueces County for contributions to the Council on Alcohol and Drug Abuse; [8] reimburse Nueces County for contributions to Palmer Drug Abuse Program a.k.a. PDAP, and [9] reimburse Nueces County for programs that impact juvenile and adult diabetes (collectively, the "Nueces County Healthcare Services");

WHEREAS, the Board is amenable to undertaking Commissioners Court's request above to fund the Nueces County Healthcare Services, subject to the continuing availability of funds and the Board desires to appropriate in the FY 2014 Operating Budget, funds sufficient to provide for the Nueces County Healthcare Services in the aggregate amount of **\$6,085,273.00** (the "Nueces County Healthcare Services Funding Amount") as further detailed and described in the "Nueces County Healthcare Services Funding Schedule FY 2014" attached hereto and identified as "Exhibit #1" and incorporated herein by reference;

WHEREAS, the Nueces County Healthcare Services are health care services described in Health Code, §281.094(a) and the related Nueces County Healthcare Services Funding Amount to be paid by the Hospital District from the Member Revenues and Tobacco Settlement Fund pursuant to this Resolution are funds made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and as a result said expenditures qualify as a portion of the District's annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in the Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.3(e)(2) due to the fact they are statutorily authorized expenditures, and Health Code, §281.094(a), provides that, with the approval of Commissioners Court, the Board of the Hospital District may use funds made available to the Hospital District from sources other than a tax levy to fund those health care services described therein;

WHEREAS, the Board desires to assure that FY 2014 Operating Budget funds disbursed for Nueces County Healthcare Services, as described in this Resolution, are utilized for the intended efforts, or come as a logical consequence of such efforts; and

WHEREAS, pursuant to the authority of the Health Code, §281.026(d) and (e), 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.

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

1. The Board hereby determines and declares that the forgoing recitals are true and correct and are adopted as part of this Resolution as findings of fact.
2. The Board hereby determines, declares, and issues a finding of fact wherein the funds from the Member Revenues (which are to be appropriated from the General Fund) and Tobacco Settlement Fund for payment of the Nueces County Healthcare Services Funding Amount pursuant to this Resolution are funds made available to the District from sources other than a tax levy and any disbursement of those funds is a statutorily authorized expenditure as described in Health Code, §281.094(a) and thereby qualify as a portion of the District's annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in the Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.3(e)(2).
3. Pursuant to the authority of Health Code, §281.091(a) and the provisions of Health Code, §281.094(a), the Board hereby directs the Administrator to incorporate into the District's FY 2014 Operating Budget an amount equal to **\$6,085,273.00** to provide for the Nueces County Healthcare Services to be allocated as shown and described in Exhibit # 1 attached hereto.

4. It shall be the responsibility of Nueces County to assure that FY 2014 Operating Budget funds disbursed for Nueces County Healthcare Services, as described in this Resolution, are utilized for the intended efforts, or come as a logical consequence of such efforts.
5. The Board hereby authorizes and directs the Administrator to disburse the Nueces County Healthcare Services Funding Amount on a basis, schedule, and in a manner he determines is reasonable and appropriate following commencement of the Hospital District's Fiscal Year 2014.
6. The Administrator shall be and is hereby 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.
7. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to certify these resolutions and that the provisions hereof are in conformance with the Governing Board Bylaws of the Hospital District and the laws of the State of Texas.
8. This Resolution shall take effect and be in full force and effect upon and after its passage.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

**Van Huseman
Chairman**

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

**Charles Wilson
Member**

**Raymond F. Wetegrove
Member**

**Rodney J. Hart, P.E.
Member**

**Dan Winship
Member**

**Irma Caballero
Member**

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EXHIBIT #1

**NUECES COUNTY HEALTHCARE SERVICES
FUNDING SCHEDULE
FISCAL YEAR 2014
(October 1, 2013 - September 30, 2014)**

Item	Description	Amount
1	Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver-related intergovernmental transfers for the Corpus Christi-Nueces County Public Health District and/or reimburse Nueces County for County employees' salaries and benefits at the Corpus Christi-Nueces County Public Health District, and for certain public health supplies.	\$1,332,623
2	Emergency medical services calls made into the County, but outside any municipalities located in the County.	\$415,000
3	State matching funds and other funding for the Nueces County Mental Health and Mental Retardation Community Center.	969,129
4	Inmate healthcare services for the Nueces County juvenile detention facility.	280,000
5	Contracted provider of inmate healthcare services within the Nueces County Jail.	2,959,807
6	Nueces County for contribution to the Alcohol and Drug Rehabilitation Center.	45,000
7	Nueces County for contribution to Council on Alcohol and Drug Abuse.	28,714
8	Nueces County for contribution to Palmer Drug Abuse Program, a.k.a. PDAP.	5,000
9	Nueces County for programs that impact juvenile and adult diabetes.	50,000
	Total	\$6,085,273

**CERTIFICATE FOR RESOLUTION
A RESOLUTION INCORPORATING
FISCAL YEAR 2014 OPERATING BUDGET FUNDING
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

We, the undersigned Secretary and General Counsel of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in special meeting on the 27th day of August, 2014, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Van Huseman, Chairman
Claude C. Jennings, C.P.A., Vice Chairman
Charles Wilson
Raymond F. Wetegrove
Rodney J. Hart, P.E.
Dan Winship
Irma Caballero

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

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was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

YEAS: _____
NAYS: _____
PRESENT NOT VOTING: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 27th day of August, 2014.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{SEAL}

ATTEST:

Wm. DeWitt Alsup
General Counsel