

Board Finance Committee - Special Meeting

Tuesday, August 31, 2021 9:30 AM

Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401

1. WELCOME

2. ROLL CALL OF COMMITTEE MEMBERS

___ Daniel W. Dain, Chairman

___ Vishnu V. Reddy, M.D.

___ John E. Valls, M.B.A.

3. CALL TO ORDER, ESTABLISHMENT OF QUORUM, MEETING POSTING CONFIRMATION, AND CLOSED MEETING NOTICE

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Public notice is hereby given that the Committee may elect to go into Closed Meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551.

4. **PUBLIC COMMENT - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Committee's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Committee meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Committee's responsibilities must verbally notify the presiding officer of their desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Committee through a translator shall limit their comments to six (6) minutes.**

5. FISCAL YEAR 2022 BUDGET:

A. Discuss and consider recommending adoption of Board of Managers Resolution relating to approval of the Member Revenue Allocation Percentage for the period October 1, 2021 - September 30, 2022 pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. **(ACTION)**

B. Discuss and consider recommending presentation of fund balance projections for Fiscal Years 2022 - 2028. **(ACTION)**

C. Discuss and consider recommending adoption of Board of Managers Resolutions relating to approval of the Fiscal Year 2022 Annual Budget covering the period October 1, 2021 - September 30, 2022 ("Annual Budget"):

1. Resolutions incorporating funding in the Annual Budget for:
 - a. Nueces Center for Mental Health and Intellectual Disabilities; and
 - b. Nueces County-related healthcare expenditures; and
2. Resolution approving Annual Budget, approval pursuant to Texas Health and Safety Code, §281.091(b); Annual Budget includes:
 - a. General Fund;
 - b. Tobacco Fund;
 - c. Indigent Care Fund; and
 - d. Capital Budget. **(ACTION)**

6. **OTHER BUSINESS:**

A. Discuss and consider recommending adoption of Board of Managers Resolution committing an amount of the September 30, 2021 fiscal year-end General Fund balance to the subsequent fiscal year for unpaid intergovernmental transfers relating to Demonstration Year No. 10 of the Texas Healthcare Transformation and Quality Improvement Program Section 1115 Waiver (Uncompensated Care and Delivery System Reform Incentive Payment Programs) and for the Disproportionate Share Hospital Program, Network Access Improvement Program, Uniform Hospital Rate Increase Program, and Graduate Medical Education Program. **(ACTION)**

7. **ADJOURN**



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 31, 2021**

A RESOLUTION RELATING TO REVENUE ALLOCATION PERCENTAGE IN HOSPITAL DISTRICT FISCAL YEAR 2022

WHEREAS, the Nueces County Hospital District (“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 (“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 (“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, on November 18, 2015, CHRISTUS Spohn Health System Corporation (“CHRISTUS Spohn”), CHRISTUS Health (“CHRISTUS Health”), and the Hospital District (collectively, the “Parties”) entered into an agreement titled “CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement” (“Amended and Restated Membership Agreement”) and Article V thereof relates to member distributions of net patient revenue;

WHEREAS, Amended and Restated Membership Agreement, Section 5.03 (a) established a procedure for the Parties to confer and agree on the percentage of net patient revenue that will be made available during each ensuing year to CHRISTUS Health (the “Specified Annual Percentage”) in exchange for its contributions to support CHRISTUS Spohn, and the remaining percentage of the net patient revenue that will be made available to the Hospital District in exchange for its continued support for the operations of CHRISTUS Spohn as a public, safety-net hospital in Nueces County, Texas; and

WHEREAS, the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2021 – September 30, 2022, subject to approval by the Board, as memorialized in that certain letter from CHRISTUS Spohn Health System to the District dated August 10, 2021 a copy thereof attached hereto as Exhibit “A”.

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

1. The Board acknowledges that the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2021 – September 30, 2022, subject to approval by the Board.
2. The Board hereby approves the agreed upon Specified Annual Percentage for the ensuing year October 1, 2021 – September 30, 2022 as memorialized in that certain letter from CHRISTUS Spohn Health System to the District dated August 10, 2021 a copy thereof attached hereto as Exhibit “A”.
3. 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.
4. This Resolution shall take effect and be in full force and effect upon and after its passage.

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**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Daniel W. Dain
Chairman

Sylvia Tryon Oliver
Vice Chairman

Belinda Flores, R.N.
Member

Vishnu V. Reddy, M.D.
Member

John E. Valls, M.B.A.
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Exhibit "A"



RECEIVED

AUG 11 2021

NCID ADMINISTRATION

DELIVERED VIA COURIER

August 10, 2021

Jonny Hipp
Chief Executive Officer
Nueces County Hospital District
555 North Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Re: 2022 Specified Annual Percentage

Dear Jonny:

Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the "Membership Agreement"). The collaboration between CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS"), and the Nueces County Hospital District ("District") over the past few months served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2021 – September 30, 2022). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, CHRISTUS and Spohn prepared a hospital budget and projected Spohn's Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn and CHRISTUS in projecting Spohn's operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On August 9, Spohn and the District met to discuss Spohn's proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn's role in operating programs in the community and the District's role in acting as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties' respective operations in the Ensuing Year, including (but not limited to) the District's increased expenditures on inmate health care services, Spohn's continued investment in behavioral health projects and services, and the continuing impact of the COVID-19 pandemic on the community.

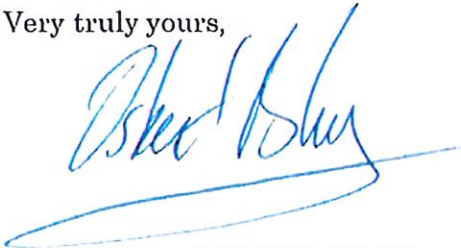
Based on these discussions, the parties agreed to a Specified Annual Percentage for the Ensuing Year on the following conditions:

1. The Nueces County Hospital District Board of Directors' approval; and
2. The parties' timely execution of an amendment to the Membership Agreement and Memorandum of Understanding, and relevant attachments, to remove a portion of Lot 1, Block 3, Medical Center Subdivision from the Memorial property.

Jonny Hipp
August 10, 2021
Page 2

Upon the satisfaction of these conditions, the Specified Annual Percentage for the Ensuing Year will be ninety-seven percent (97%), and the remaining three percent (3%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,



Osbert Blow, MD, PhD, FACS
Ministry President and Chief Medical
Officer

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS

§
§
§

COUNTY OF NUECES

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The members of the Board of Managers (the "Board") of the Nueces County Hospital District (the "Hospital District") have been duly appointed pursuant to Texas Health and Safety Code (the "Health Code"), §281.021.

2. Pursuant to Health Code, §281.021(a), the Hospital District's Board of Managers (the "Board") have been duly appointed; pursuant to Health Code, §281.048, the Board is the governing body of the Hospital District; and pursuant to the collective authorities of Health Code, §281.047 and §281.048, the Board has, and 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.

3. On the **31st day of August 2021** the Board convened in a regular meeting at the Hospital District's regular meeting place (the "Meeting"), the duly constituted members and officers of the Board being as follows:

- Daniel W. Dain, Chairman
- Sylvia Tryon Oliver, Vice Chairman
- Belinda Flores, R.N.
- Vishnu V. Reddy, M.D.
- John E. Valls, M.B.A.
- Mariana Garza, J.D.
- Efrain Guerrero, Jr.

and all of said persons were present, except the following absentees:

_____ , _____ ,
and _____ , _____ , thus constituting a quorum.

4. Among other business considered at the Meeting, the attached resolution entitled:

**A RESOLUTION RELATING TO
REVENUE ALLOCATION PERCENTAGE IN HOSPITAL DISTRICT FISCAL YEAR 2022**

is a true copy of a resolution introduced and submitted to the Board for consideration toward passage and adoption (the "Resolution"). After presentation and discussion, it was then duly moved and seconded that the Resolution be passed and adopted. The motion to pass and adopt the Resolution prevailed and carried by the following viva voce vote:

YEAS: _____
 NAYS: _____
 PRESENT NOT VOTING: _____
 ABSENT: _____

all as shown in the official Minutes of the Board for the Meeting.

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. I am the Secretary of the Board having been duly appointed pursuant to Health Code, §281.023(b).

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, I have hereunto signed my name officially and affixed the seal of the Hospital District on this the **31st day of August 2021**.

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

{HOSPITAL DISTRICT SEAL}

NUECES COUNTY HOSPITAL DISTRICT
ANNUAL OPERATING DEFICITS & FUND BALANCE
 Fiscal Years Ending 2015 - 2028



**Nueces County Hospital District
Annual Operating Deficits & Fund Balance
Projection Assumptions for Fiscal Years Ending 2022-2028**

Revenues

- Property tax will remain at effective tax rate or “no-new” revenue rate.
- Pending tax lawsuits will be an annual contingency until settled.
- Unless terminated, the Spohn Membership Agreement will automatically be renewed for an additional 5 years on September 30, 2022 and will continue until September 30, 2027. This assumes the Membership Agreement will renew for the additional 5 years. Although Spohn Membership revenue is determined annually by Spohn and NCHD, the projection assumes \$6.2 million for fiscal years 2023-2026. The Spohn Membership Agreement will terminate by its terms on September 30, 2027, unless it is renewed by the parties.

Expenses

- IGT’s requirements will increase 3% per year for 2023-2027.
- If the Spohn Membership Agreement is not renewed on September 30, 2027, then the standby Indigent Care Agreement is in effect for FY 2028 requiring a \$29 million annual payment.
- All other expenses increase by 3% per year.

Additional Inflows/Outflows

- Tobacco fund inflows continue at \$550,000 per year.



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 31, 2021

**A RESOLUTION INCORPORATING FISCAL YEAR 2022
ANNUAL BUDGET FUNDING FOR THE
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

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 "Hospital District 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, the Hospital District's Administrator (the "Administrator") has the responsibility for preparing an annual budget under the Board's direction, pursuant to Health Code, §281.091(a); and the District's Fiscal Year 2022 is October 1, 2021 through September 30, 2022;

WHEREAS, the Hospital District has certain funds made available to it from sources other than a tax levy ("Hospital District's Non-Tax Funds") as described in Health Code, §281.094(a) and when said funds 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 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, the Nueces Center for Mental Health and Intellectual Disabilities (the "NCMHID") is authorized by and was established pursuant to Health Code, Title 7, Chapter 534, Subchapter A (the "MHMR Code"), to provide mental health and mental retardation services in the community;

WHEREAS, pursuant to the MHMR Code, §534.001(c), the NCMHID is an agency of the state, a governmental unit, and a unit of local government as defined and specified by Chapters 101 and 102, Civil Practice and Remedies Code; a local government, as defined by §791.003, Government Code; a local government for the purposes of Chapter 1084, Acts of the 70th Legislature, Regular Session, 1987; and a political subdivision for the purposes of Chapter 172, Local Government Code;

WHEREAS, previously in August 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 Nueces County Commissioners Court (the "Commissioners Court" or "Court") requested that the Hospital District Board provide funding for certain Health Code, §281.094(a)-permitted purposes in the District's related Fiscal Years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 Annual Budgets;

WHEREAS, Commissioners Court has requested, pursuant to Health Code, §281.094(a), that the Hospital District Board appropriate within the District's Fiscal Year 2022 Annual Budget (the "FY 2022 Annual Budget"), funds sufficient to provide local match, services, and other funding for the NCMHID (the "NCMHID Services") and the Hospital District Board is amenable to said request, subject to the continuing availability of funds sufficient from the Hospital District's Non-Tax Funds;

WHEREAS, considering Commissioners Court's request, the Hospital District Board desires to make available in the District's FY 2022 Annual Budget, funds sufficient to provide for the NCMHID Services in the aggregate amount of **\$969,129.00** (the "NCMHID Services Funding Amount") as further detailed and described in the "Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule - Fiscal Year 2022" attached hereto and identified as "Attachment "A"" which is incorporated herein by reference;

WHEREAS, the NCMHID Services are mental health and mental retardation services and the related NCMHID Services Funding Amount to be paid by the Hospital District from the Hospital District's Non-Tax Funds pursuant to this Resolution are revenues 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 for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2) due to the fact they are statutorily authorized expenditures under Health Code, §281.094(a), Health Code, §281.094(a) provides that, with the approval of Commissioners Court, the Hospital District Board may use funds made available to the Hospital District from sources other than a tax levy to fund health care services, including mental health and mental retardation services; 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 Hospital District 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 Hospital District's Non-Tax Funds to be appropriated from the General Fund pursuant to this Resolution for payment of the NCMHID Services Funding Amount are funds made available to the Hospital District from sources other than a tax levy and any disbursement of said funds is a statutorily authorized expenditure as described in Health Code, §281.094(a) and thereby qualifies as a portion of the District's annual claims for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §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 Hospital District Board hereby directs the Administrator to incorporate into the District's FY 2022 Annual Budget an amount equal to **\$969,129.00** to provide for the NCMHID Services shown in Attachment "A" titled "Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule - Fiscal Year 2022" attached hereto.
4. The Hospital District Board hereby authorizes and directs the Administrator to disburse the NCMHID Services Funding Amount to NCMHID in equal quarterly portions, or otherwise on a payment schedule he determines is reasonable and appropriate during the District's Fiscal Year 2022.
5. The Administrator is hereby further authorized and directed to establish any additional procedures and requirements that he determines are reasonable and appropriate for disbursing the NCMHID Services Funding Amount, including, but not limited to, procedures and requirements pertaining to disclosure of NCMHID's accounting, reporting, and utilization information relating to the NCMHID Services Funding Amount.
6. 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.
7. 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 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**

Daniel W. Dain
Chairman

Sylvia Tryon Oliver
Vice Chairman

Belinda Flores, R.N.
Member

Vishnu V. Reddy, M.D.
Member

John E. Valls, MBA
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Attachment "A"

**NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES
FUNDING SCHEDULE - FISCAL YEAR 2022
(October 1, 2021 - September 30, 202)**

Item #	Function/Description/Program/Purpose	Amount
1	Community Center's local match to draw down state funds from the Texas Health and Humans Services Commission for mental health and intellectual disability services.	\$562,129
2	Continue previous Nueces County commitments relating to adolescent inpatient care and youth services.	60,000
3	Court assistance in the involuntary commitment process.	75,000
4	Local matching funds to draw down state funds from the Texas Health and Human Services Commission to prevent and/or reduce psychiatric bed day use by enhancement of crisis respite services.	75,000
5	Local matching funds to draw down additional state and federal funds for Center services.	65,000
6	Medication and related services to children and adult consumers.	132,000
Total		\$969,129

**CERTIFICATE FOR RESOLUTION
A RESOLUTION INCORPORATING FISCAL YEAR 2022
ANNUAL BUDGET FUNDING FOR THE
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I, the undersigned Secretary 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 regular meeting on the 31st day of August, 2021, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Daniel W. Dain, Chairman
Sylvia Tryon Oliver, Vice Chairman
Belinda Flores, R.N.
Vishnu V. Reddy, M.D.
John E. Valls
Mariana Garza
Efrain Guerrero, Jr.

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

**A RESOLUTION INCORPORATING FISCAL YEAR 2022
ANNUAL BUDGET FUNDING FOR THE
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

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: _____
ABSENT: _____

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 31st day of August, 2021.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



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 31, 2021**

A RESOLUTION INCORPORATING FISCAL YEAR 2022 ANNUAL 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 and the Hospital District's Fiscal Year 2022 is October 1, 2021 through September 30, 2022;

WHEREAS, the Hospital District has certain funds made available to the District from sources other than a tax levy ("Hospital District's Non-Tax Funds") as described in Health Code, §281.094(a), and when said funds 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 25 Texas Administrative Code §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 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, previously in August 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 the Nueces County Commissioners Court (the "Commissioners Court" or "Court") requested that the Board provide funding for the Nueces County-related health care services permitted in Health Code, §281.094(a) during the District's related Fiscal Years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 Annual Budgets and the Board has undertaken all such requests;

WHEREAS, Commissioners Court has requested for the Hospital District's Fiscal Year 2022, that the Board appropriate, in the Hospital District's Fiscal Year 2022 Annual Budget (the "FY 2022 Annual Budget"), funds sufficient to: **[1a]** provide Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver-related intergovernmental transfers for projects of the Corpus Christi-Nueces County Public Health District; **[1b]** reimburse Nueces County for County employees' salaries and benefits at the Corpus Christi-Nueces County Public Health District, and for certain public health supplies and equipment at the Health District; **[2]** provide funds for emergency medical services provided by cities and emergency services districts into the County outside of municipalities; **[3]** provide local match and other funding to the Nueces Center for Mental Health and Intellectual Disabilities ("NCMHID"); **[4]** provide funding for a community mental health collaborative jail diversion program, crisis intervention teams, and jail-based competency restoration program relating to implementation of recommendations arising from the Nueces County Comprehensive Behavioral Health Community Needs Assessment performed by the Meadows Mental Health Policy Institute in June 2020; **[5]** provide funding for mental healthcare programs, services, personnel, and studies arising from the Nueces County Comprehensive Behavioral Health Community Needs Assessment performed by the Meadows Mental Health Policy Institute in June 2020 **[6]** reimburse Nueces County or direct pay inmate healthcare services at the juvenile detention facility; **[7]** direct pay inmate healthcare services provided under a third-party contract at the county jail and jail annex; **[8a]** reimburse Nueces County for contributions to the Alcohol and Drug Rehabilitation Center; **[8b]** reimburse Nueces County for contributions to the Council on Alcohol and Drug Abuse; **[9]** reimburse Nueces County for programs that impact juvenile and adult diabetes; **[10]** provide public health grants relating to COVID-19 pandemic-related testing and other health care services provided to residents of the Hospital District; grants for Amistad Community Health Center and Coastal Bend Wellness Foundation; **[11]** no Alternate Care Site funding in FY 2022 Annual Budget; and **[12]** assess feasibility of converting NCMHID building to Diversion Center, (collectively **[1a]** - **[12]** above, the "FY 2022 Nueces County Healthcare Services");

WHEREAS, the Board is amenable to undertaking Commissioners Court's request above to fund the FY 2022 Nueces County Healthcare Services, subject to the continuing availability of funds and the Board desires to appropriate in the FY 2022 Annual Budget, funds sufficient to provide for the FY 2022 Nueces County Healthcare Services in the aggregate amount of **\$12,947,925.00** (the "FY 2022 Nueces County Healthcare Services Funding Amount") as detailed and described in the schedule "Nueces County Healthcare Services Funding Schedule - Fiscal Year 2022" attached hereto and identified as "Attachment "A"" and incorporated herein by reference;

WHEREAS, the FY 2022 Nueces County Healthcare Services are health care services described in Health Code, §281.094(a) and the related FY 2022 Nueces County Healthcare Services Funding Amount to be paid by the Hospital District from the Hospital District's Non-Tax Funds 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 25 Texas Administrative Code §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 2022 Annual Budget funds disbursed for FY 2022 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 Hospital District's Non-Tax Funds and Tobacco Settlement Fund for payment of the FY 2022 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 25 Texas Administrative Code §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 Hospital District's FY 2022 Annual Budget an amount equal to **\$12,947,925.00** to provide for the FY 2022 Nueces County Healthcare Services to be allocated as shown in the schedule "Nueces County Healthcare Services Funding Schedule - Fiscal Year 2022" attached hereto and identified as "Attachment "A"."
4. It shall be the responsibility of Nueces County to assure that FY 2022 Annual Budget funds disbursed for FY 2022 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 FY 2022 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 2022.
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.

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**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Daniel W. Dain
Chairman

Sylvia Tryon Oliver
Vice Chairman

Belinda Flores, R.N.
Member

Vishnu V. Reddy, M.D.
Member

John E. Valls, MBA
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Attachment "A"

**NUECES COUNTY HEALTHCARE SERVICES
FUNDING SCHEDULE - FISCAL YEAR 2022
(October 1, 2021 - September 30, 2022)**

Item #	Function/Description/Program/Purpose	Amount
1a	Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver-related intergovernmental transfers for projects of the Corpus Christi-Nueces County Public Health District.	\$887,000
1b	Nueces County employees' salaries and benefits at the Corpus Christi-Nueces County Public Health District, and for certain public health supplies and equipment.	942,300
2	Emergency medical services provided by cities and emergency services districts into the County outside municipalities.	550,000
3	Local match and other funding for the Nueces Center for Mental Health and Intellectual Disabilities.	969,129
4	Nueces Center for Mental Health and Intellectual Disabilities for community mental health collaborative jail diversion program, crisis intervention teams, and jail-based competency program arising from the Nueces County Comprehensive Behavioral Health Community Needs Assessment June 2020.	3,510,801
5	Additional mental health programs, services, and personnel arising from the Nueces County Comprehensive Behavioral Health Community Needs Assessment June 2020.	570,000
6	Detainee healthcare services within the Nueces County juvenile detention facility.	407,000
7	Third-party inmate healthcare services provided within the Nueces County Jail and McKenzie Jail Annex.	4,408,695
8a	Nueces County for contribution to the Alcohol and Drug Rehabilitation Center (Cenikor).	60,000
8b	Nueces County for contribution to the Council on Alcohol and Drug Abuse.	50,000
9	Nueces County for programs impacting juvenile and adult diabetes.	50,000
10	Public health grants relating to COVID-19 pandemic-related testing and other health care services provided to residents of the Hospital District; grants for Amistad Community Health Center and Coastal Bend Wellness Foundation.	170,000
12	Assess feasibility of converting NCMHID building to Diversion Center.	75,000
Total		\$12,947,925

**CERTIFICATE FOR RESOLUTION
A RESOLUTION INCORPORATING
FISCAL YEAR 2022 ANNUAL BUDGET FUNDING
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I, the undersigned Secretary 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 regular meeting on the 31st day of August, 2021, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Daniel W. Dain, Chairman
Sylvia Tryon Oliver, Vice Chairman
Belinda Flores, R.N.
Vishnu V. Reddy, M.D.
John E. Valls, MBA
Mariana Garza, J.D.
Efrain Guerrero, Jr.

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

**A RESOLUTION INCORPORATING
FISCAL YEAR 2022 ANNUAL BUDGET FUNDING
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

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: _____
ABSENT: _____

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 31st day of August, 2021.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



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 31, 2021**

A RESOLUTION APPROVING FISCAL YEAR 2022 ANNUAL BUDGET

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, the Hospital District's Administrator (the "Administrator") has the responsibility for preparing an annual budget under the Board's direction as required by Health Code, §281.091(a); the District's annual budget must be approved by the Board and then shall be presented to the Commissioners Court for final approval, pursuant to requirements of Health Code, §281.091(b); and the District's Fiscal Year 2022 is October 1, 2021 through September 30, 2022;

WHEREAS, the Administrator has prepared the Hospital District's Fiscal Year 2022 annual budget under the Board's direction (the "FY 2022 Annual Budget") and said Budget is attached hereto and identified as Exhibit "A" which is incorporated herein by reference;

WHEREAS, the FY 2022 Annual Budget consists of the Hospital District's (1) Consolidated Budget, inclusive of the General, Tobacco, and Indigent Care Funds; and (2) Capital Budget;

WHEREAS, the Board desires to assure that FY 2022 Annual Budget funds disbursed for the "Nueces County Healthcare Services," as resolved in a separate but related Hospital District Board Resolution related to the District's FY 2022 Annual Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts; and

WHEREAS, the Board desires to approve the FY 2022 Annual Budget and authorize the expenditure of budgeted funds for the purposes indicated therein.

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

1. The Board hereby approves the FY 2022 Annual Budget (attached hereto as Exhibit "A").
2. The Board hereby directs the Administrator to submit the approved FY 2022 Annual Budget to Commissioners Court for their final approval.
3. It shall be the responsibility of Nueces County to assure that Hospital District funds disbursed as a part of the FY 2022 Annual Budget for the "Nueces County Healthcare Services," as resolved in a separate but related Hospital District Board Resolution related to the District's FY 2022 Annual Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts.
4. The Board hereby finds and directs that the Administrator has the authority to expend the funds in the FY 2022 Annual Budget for the purposes indicated therein in accordance with state law, Board direction, and the Hospital District's approved purchasing and expenditure policies and procedures. The expenditure of budgeted funds in the FY 2022 Annual Budget shall be under the direction of the Administrator who shall ensure that the funds are expended in accordance with the approved Budget.
5. 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.
6. 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.
7. This Resolution shall take effect and be in full force and effect upon and after its passage.

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**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Daniel W. Dain
Chairman

Sylvia Tryon Oliver
Vice Chairman

Belinda Flores, R.N.
Member

Vishnu V. Reddy, M.D.
Member

John E. Valls, MBA
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member


Exhibit "A"



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

To: Board of Managers
From: Jonny F. Hipp, Administrator 
Subject: Operating and Capital Budgets for Fiscal Year 2022
Date: August 31, 2021

Attached for your review and consideration of approval is the Hospital District's Fiscal Year 2022 (October 1, 2021 through September 30, 2022) Budget for the General Fund. The Budget is comprised of the Operating and Capital Budgets. Also included are individual budgets for the Tobacco Fund and Indigent Care Fund. The following are key items included in the Operating Budget.

REVENUES

We are using a tax rate of **\$0.111824**, which is 5.3% above the no-new-revenue tax. The appraisal value for FY 2022 is **\$35,295,466,178**. This new value with the tax rate will generate revenues of **\$37,090,050** for the Hospital District. This is an increase in current property revenues of **\$2,558,805** compared to last year's budget. A 94% collection rate has been applied, as well as a \$800,000 contingency for certain expected refinery related tax refunds.

Spohn Corporate Member Revenue of **\$9,883,929** is included in this year's revenue, an increase of \$3,383,929 compared to last year's budget. Nueces LPPF administrative fee income of **\$150,000** is budgeted, and RHP anchor allocation revenue is estimated at **\$100,000**.

EXPENSES

Budgeted expenditures for FY 2022 are **\$47,496,048**. The principal expenditures are: (1) intergovernmental transfers of **\$30,120,513**, (2) County health services expenditures of **\$11,985,925**, (3) salaries expense of **\$1,529,940**; and (4) legal and professional fees of **\$1,545,500**.

NUECES COUNTY HOSPITAL DISTRICT
 BUDGET - GENERAL FUND
 FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2022		Fiscal 2021		Budget	Fiscal 2021		Est. Act vs
Explanation	Budget		Budget		2022 vs. 2021	Est. Actual		F2022 Bud
REVENUES								
Property Taxes:								
1 Current	37,090,050	77.92%	34,531,245	83.18%	2,558,805	35,156,726	77.64%	1,933,324
2 Delinquent	0	0.00%	(0)	0.00%	0	213,074	0.47%	(213,074)
3 Penalties & Interest	370,900	0.78%	345,312	0.83%	25,588	293,560	0.65%	77,340
4 Total Property Tax Revenue	37,460,951	78.70%	34,876,557	84.02%	2,584,394	35,663,360	78.76%	1,797,591
5 Spohn Corporate Member Revenue	9,883,929	20.77%	6,500,000	15.66%	3,383,929	9,211,465	20.34%	672,464
6 Investment Income	3,853	0.01%	15,068	0.04%	(11,215)	30,774	0.07%	(26,921)
7 Other Income	250,000	0.53%	120,000	0.29%	130,000	377,061	0.83%	(127,061)
8 Total Other Revenues	10,137,782	21.30%	6,635,068	15.98%	3,502,714	9,619,300	21.24%	518,482
9 TOTAL REVENUES	47,598,733	100%	41,511,625	100%	6,087,108	45,282,660	100%	2,316,073
OPERATING EXPENSES								
10 Intergovernment Transfers (See attached)	30,120,513	62.92%	62,881,100	74.47%	(32,760,587)	68,006,278	80.19%	(37,885,765)
11 County Healthcare Services	11,985,925	25.04%	15,906,930	18.84%	(3,921,005)	12,737,133	15.02%	(751,208)
12 Salaries	1,529,940	3.20%	1,525,704	1.81%	4,237	1,263,972	1.49%	265,968
13 Benefits	738,570	1.54%	703,257	0.83%	35,313	667,077	0.79%	71,493
14 Legal & Professional Fees	1,545,500	3.23%	1,582,500	1.87%	(37,000)	567,208	0.67%	978,292
15 Purchased Services	588,000	1.23%	559,800	0.66%	28,200	506,567	0.60%	81,433
16 Tax Assessor / Appraisal Collection Fees	726,000	1.52%	720,000	0.85%	6,000	687,154	0.81%	38,846
17 Supplies & Materials	21,000	0.04%	21,000	0.02%	0	17,180	0.02%	3,820
18 Rent & Leases	151,500	0.32%	146,500	0.17%	5,000	140,124	0.17%	11,376
19 Repairs & Maintenance	9,000	0.02%	9,000	0.01%	0	3,935	0.00%	5,065
20 Telephone & Utilities	58,400	0.12%	61,500	0.07%	(3,100)	49,251	0.06%	9,149
21 Insurance	27,100	0.06%	26,000	0.03%	1,100	22,315	0.03%	4,785
22 Administrative & General	199,600	0.42%	168,000	0.20%	31,600	85,771	0.10%	113,829
23 Capital Outlay	163,000	0.34%	127,000	0.15%	36,000	55,856	0.07%	107,144
24 Extraordinary	5,000	0.01%	5,000	0.01%	0	536	0.00%	4,464
25 TOTAL EXPENDITURES	47,869,048	100%	84,443,290	100%	(36,574,242)	84,810,358	100%	(36,941,309)
26 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(270,316)		(42,931,666)		42,661,350	(39,527,698)		39,257,382
NON-OPERATING SOURCES (USES)								
27 Operating Transfer In (Tobacco Fund)	550,000		550,000		0	672,000		(122,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	279,684		(42,381,666)		42,661,350	(38,855,698)		39,135,382
30 FUND BALANCE, BEGINNING OF PERIOD	25,046,789		50,016,821			63,902,487		
31 FUND BALANCE, END OF PERIOD	25,326,474		7,635,155			25,046,789		

Nueces County Hospital District
 County Healthcare Department Expenditures
 For the Year Ending September 30, 2022

EXHIBIT C

<u>Program</u>	<u>Budget 2022</u>	<u>Budget 2021</u>	<u>Difference</u>
<u>Intergovernmental Transfers</u>			
1a Health Department - Intergovernmental Transfers *	887,000	1,208,100	(321,100)
<u>County Healthcare Services</u>			
1b Health Department (Operating Expenditures) *	942,300	693,200	249,100
2 Emergency Medical Services	550,000	500,000	50,000
3 Nueces Center for Mental Health & Intellectual Disabilities	969,129	969,129	0
4 MHID - Jail Programs (Jail Div, CIT, Jail Based Comp)	3,510,801	4,200,000	(689,199)
5 Mental Healthcare Services	868,000	556,801	311,199
6 Juvenile Detention Center-Health Services	407,000	407,000	0
7 County Jail Healthcare Services	4,408,695	5,250,800	(842,105)
8a Alcohol and Drug Rehabilitation Center (Cenikor)	60,000	60,000	0
8b Council on Alcohol & Drug Abuse	50,000	50,000	0
9 County Juvenile and Adult Diabetes Program	50,000	50,000	0
10 Public Health Grants	170,000	170,000	0
11 Alternate Care Site Funding - Emergency Mgmt Svcs	0	3,000,000	(3,000,000)
Subtotal	11,985,925	15,906,930	(3,921,005)
Subtotal County Services	12,872,925	17,115,030	(4,242,105)
<u>Professional Fees</u>			
12 Architect (MHID Building Assessment for Diversion Center)	75,000	120,000	(45,000)
Grand Total County Services Department	12,947,925	17,235,030	(4,287,105)

* Note - Total Health Department For Budget 2021 = \$1,829,300 down from \$1,901,300 for Budget 2021.

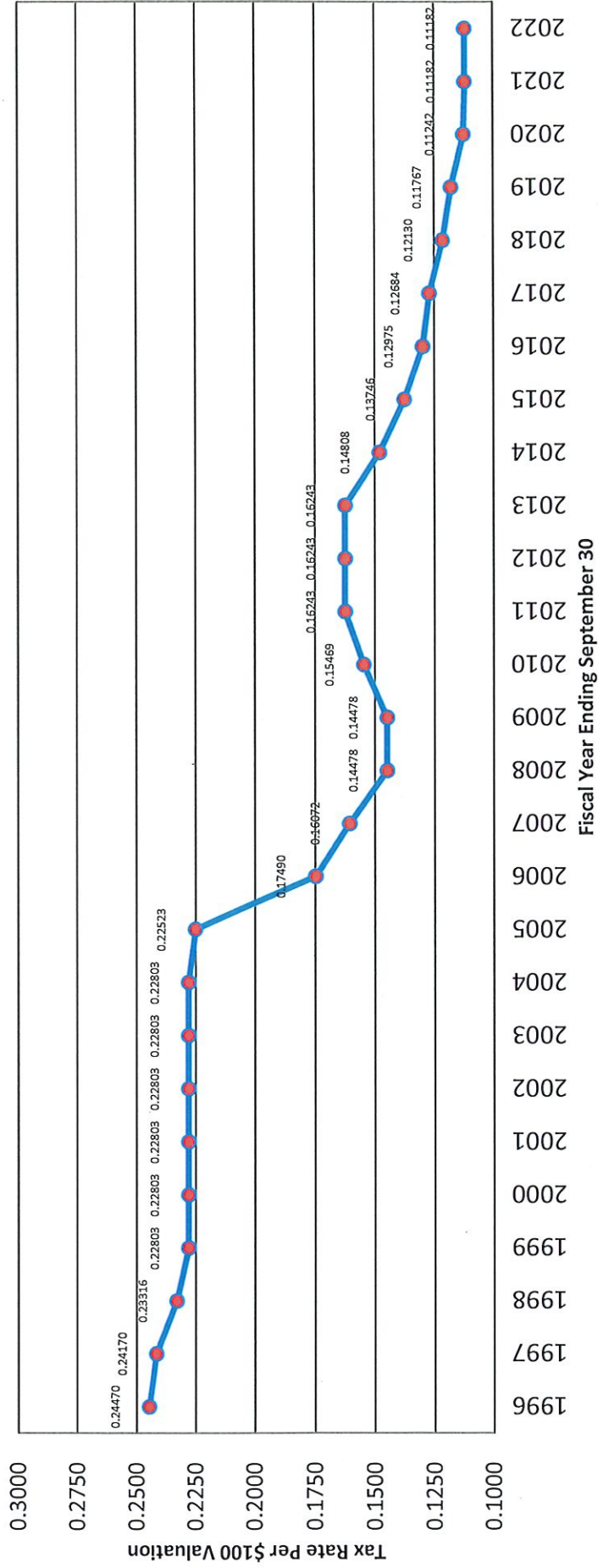
NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	REVENUES				
1	Property Taxes	37,460,951	0	0	37,460,951
2	Spohn Corporate Member Revenue & LPPF Program	9,883,929	0	0	9,883,929
3	Investment Income	3,853	0	56,456	60,310
4	Other Income	250,000	0	0	250,000
5	Tobacco Income	0	550,000	0	550,000
6	TOTAL REVENUES	47,598,733	550,000	56,456	48,205,189
	OPERATING EXPENSES				
7	Intergovernmental Transfers	30,120,513	0	0	30,120,513
8	County Healthcare Services	11,985,925	0	0	11,985,925
9	Salaries	1,529,940	0	0	1,529,940
10	Benefits	738,570	0	0	738,570
11	Legal & Professional Fees	1,545,500	0	0	1,545,500
12	Purchased Services	588,000	0	0	588,000
13	Tax Assessor / Appraisal Collection Fees	726,000	0	0	726,000
14	Supplies & Materials	21,000	0	0	21,000
15	Rent & Leases	151,500	0	0	151,500
16	Repairs & Maintenance	9,000	0	0	9,000
17	Telephone & Utilities	58,400	0	0	58,400
18	Insurance	27,100	0	0	27,100
19	Administrative & General	199,600	0	0	199,600
20	Capital Outlay	163,000	0	0	163,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	TOTAL EXPENDITURES	47,869,048	0	0	47,869,048
24	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(270,316)	550,000	56,456	336,141
	NON-OPERATING SOURCES (USES)				
25	Operating Transfers In	550,000	0	0	550,000
26	Operating Transfers Out	0	(550,000)	0	(550,000)
27	TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	279,684	0	56,456	336,141
28	FUND BALANCE, BEGINING OF PERIOD	25,046,789	0	56,448,660	81,495,449
29	FUND BALANCE, END OF PERIOD	25,326,474	0	56,505,116	81,831,590

2021/2022 Tax Rate Calculation for Hospital District

	Tax Rate	Increase above "No New Revenue" Rate	% Above "No New Revenue" Rate	Budgeted 2021/2022 Revenue	Budget Increase (Decrease) from Prior Year
2020/2021 Adopted Tax Rate	0.111824	0.005632	5.30%	37,495,362	1,963,138
2021/2022 No-New-Revenue Tax Rate	0.106192	0.000000	0.00%	35,606,913	74,689
0.5% Above the No-New-Revenue Tax Rate	0.106723	0.000531	0.50%	35,784,948	252,724
1% Above the No-New-Revenue Tax Rate	0.107254	0.001062	1.00%	35,962,983	430,759
1.5% Above the No-New-Revenue Tax Rate	0.107785	0.001593	1.50%	36,141,017	608,793
2% Above the No-New-Revenue Tax Rate	0.108316	0.002124	2.00%	36,319,052	786,828
2.5% Above the No-New-Revenue Tax Rate	0.108847	0.002655	2.50%	36,497,086	964,862
3% Above the No-New-Revenue Tax Rate	0.109378	0.003186	3.00%	36,675,121	1,142,897
3.5% Above the No-New-Revenue Tax Rate	0.109909	0.003717	3.50%	36,853,155	1,320,931
4% Above the No-New-Revenue Tax Rate	0.110440	0.004248	4.00%	37,031,190	1,498,966
4.5% Above the No-New-Revenue Tax Rate	0.110971	0.004779	4.50%	37,209,224	1,677,000
5% Above the No-New-Revenue Tax Rate	0.111502	0.005310	5.00%	37,387,259	1,855,035
6% Above the No-New-Revenue Tax Rate	0.112033	0.005841	6.00%	37,565,293	2,033,069
7% Above the No-New-Revenue Tax Rate	0.112564	0.006372	6.00%	37,743,328	2,211,104
2020/2021 Voter-Approved Tax Rate 8%	0.113095	0.006903	7.00%	38,099,397	2,567,173
	0.115601	0.009409	8.86%	38,761,816	3,229,592

Nueces County Hospital District Tax Rate History FY 1996-2022



**CERTIFICATE FOR RESOLUTION
A RESOLUTION APPROVING
FISCAL YEAR 2022 ANNUAL BUDGET**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I, the undersigned Secretary 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 regular meeting on the 31st day of August 2021, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Daniel W. Dain, Chairman
Sylvia Tryon Oliver, Vice Chairman
Belinda Flores, R.N.
Vishnu V. Reddy, M.D.
John E. Valls, MBA
Mariana Garza, J.D.
Efrain Guerrero, Jr.

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

**A RESOLUTION APPROVING
FISCAL YEAR 2022 ANNUAL BUDGET**

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: _____
ABSENT: _____

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 31st day of August, 2021.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



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 31, 2021

A RESOLUTION COMMITTING A FISCAL YEAR-END GENERAL FUND AMOUNT TO SUBSEQUENT FISCAL YEAR'S INTERGOVERNMENTAL TRANSFERS

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, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a); 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, the Hospital District's Administrator (the "Administrator") has the responsibility for preparing an annual budget under the Board's direction pursuant to Health Code, §281.091(a); the District's Fiscal Year 2021 is October 1, 2020 through September 30, 2021 ("Hospital District Fiscal Year 2021"); and the District's Fiscal Year 2022 is October 1, 2021 through September 30, 2022 ("Hospital District Fiscal Year 2022");

WHEREAS, the Hospital District is a governmental entity participating in certain Medicaid supplemental payment programs organized by the Texas Health & Human Services Commission (the "Commission"), including: [1] the Texas Healthcare Transformation and Quality Improvement Program Section 1115 Waiver ("Waiver"); [2] Disproportionate Share Hospital Program ("DSH"); [3] Network Access Improvement Program ("NAIP"); [4] Uniform Hospital Rate Increase Program ("UHRIP"); and [5] Graduate Medical Education Program ("GME");

WHEREAS, the Waiver includes two provider funding pools that rely on local intergovernmental transfers ("IGTs"): [1] Uncompensated Care ("UC"); and [2] Delivery System Reform Incentive Payment ("DSRIP");

WHEREAS, pursuant to 1 Texas Administrative Code §354.1602, the Waiver’s Demonstration Years (“DY”) are a 12-month period beginning each October 1 and ending September 30; and the Waiver’s DY No. 10 began October 1, 2020 and ends September 30, 2021;

WHEREAS, pursuant to the authority of Health Code, §281.094(b), the Hospital District provides IGTs to the State of Texas for use as the nonfederal share of Waiver-related UC and DSRIP payments for certain eligible health care providers located inside and outside the District’s boundaries that periodically provide healthcare services to beneficiaries enrolled in the District’s indigent health care program and residents of Nueces County, Texas, including Christus Spohn Hospital-Alice, Christus Spohn Hospital-Beeville, Christus Spohn Hospital-Corpus Christi, Christus Spohn Hospital-Kleberg, Corpus Christi Medical Center, Corpus Christi-Nueces County Public Health District, DeTar Healthcare System, and Driscoll Children’s Hospital (collectively, the “Eligible Providers”);

WHEREAS, under terms of the Waiver, Eligible Providers who are: (1) hospitals receive Waiver UC payments designed to offset the costs of uncompensated care; and (2) hospitals and other providers receive Waiver DSRIP incentive payments for achievement of agreed-upon metrics associated with projects designed to achieve certain Waiver goals;

WHEREAS, due to Eligible Providers’ partially-reported or Commission-delayed approval of Providers’ DSRIP achievement metrics reporting for DY No. 10 and the Commission’s split of UC Waiver payments during DY No. 10, the Commission has delayed its request to the Hospital District for IGTs associated with Eligible Providers’ DY No. 10 DSRIP and/or UC payments until a date occurring after Hospital District Fiscal Year 2021 (the “Unpaid DY No. 10 IGTs”);

WHEREAS, in addition to the preceding, the Commission is expected to delay or has delayed requests to the Hospital District for IGTs associated with certain Eligible Providers’ participation in the DSH, NAIP, UHRIP, and GME until a date occurring after Hospital District Fiscal Year 2021 (the “Other Unpaid Program IGTs”); and

WHEREAS, in consideration of the preceding recitals, the Board desires to commit from the Hospital District’s fiscal year-end September 30, 2021 General Fund balance an amount enough to fund the Unpaid DY No. 10 IGTs and Other Unpaid Program IGTs in Hospital District Fiscal Year 2022.

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

1. The Board hereby commits an amount not to exceed **\$10,000,000.00** from the Hospital District's fiscal year-end September 30, 2021 General Fund balance to Hospital District Fiscal Year 2022 to fund the Unpaid DY No. 10 IGTs and Other Unpaid Program IGTs in Hospital District Fiscal Year 2022 for incurred but unrequested and unpaid expenditures arising from the District's and Eligible Providers' participation in the UC, DSRIP, DSH, NAIP, UHRIP, and GME during Hospital District Fiscal Year 2021.

2. The actual amount committed above shall be final determined by the Hospital District's Administrator on or after October 1, 2021 considering information then available from the Commission and/or Eligible Providers, however, the actual committed amount shall not exceed that amount Resolved above.

3. The actual committed funds above shall be committed from the Hospital District General Fund subaccount containing District funds routinely used for paying Waiver-related IGTs.

4. 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 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.

5. 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.

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

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

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**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Daniel W. Dain
Chairman

Sylvia Tryon Oliver
Vice Chairman

Belinda Flores, R.N.
Member

Vishnu V. Reddy, M.D.
Member

John E. Valls, M.B.A.
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS

§

COUNTY OF NUECES

§

§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The members of the Board of Managers (the "Board") of the Nueces County Hospital District (the "Hospital District") have been duly appointed pursuant to Texas Health and Safety Code (the "Health Code"), §281.021.

2. Pursuant to Health Code, §281.021(a), the Hospital District's Board of Managers (the "Board") have been duly appointed; pursuant to Health Code, §281.048, the Board is the governing body of the Hospital District; and pursuant to the collective authorities of Health Code, §281.047 and §281.048, the Board has, and 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.

3. On the **31st day of August 2021** the Board convened in a regular meeting at the Hospital District's regular meeting place (the "Meeting"), the duly constituted members and officers of the Board being as follows:

- Daniel W. Dain, Chairman
- Sylvia Tryon Oliver, Vice Chairman
- Belinda Flores, R.N.
- Vishnu V. Reddy, M.D.
- John E. Valls, MBA
- Mariana Garza, J.D.
- Efrain Guerrero, Jr.

and all of said persons were present, except the following absentees:

_____ , _____ ,
and _____ , _____ , thus constituting a quorum.

4. Among other business considered at the Meeting, the attached resolution entitled:

A RESOLUTION COMMITTING A FISCAL YEAR-END GENERAL FUND AMOUNT TO SUBSEQUENT FISCAL YEAR INTERGOVERNMENTAL TRANSFERS

is a true copy of a resolution introduced and submitted to the Board for consideration toward passage and adoption (the "Resolution"). After presentation and discussion, it was then duly moved and seconded that the Resolution be passed and adopted. The motion to pass and adopt the Resolution prevailed and carried by the following viva voce vote:

- YEAS: _____
- NAYS: _____
- PRESENT NOT VOTING: _____
- ABSENT: _____

all as shown in the official Minutes of the Board for the Meeting.

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. I am the Secretary of the Board having been duly appointed pursuant to Health Code, §281.023(b).

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, I have hereunto signed my name officially and affixed the seal of the Hospital District on this the **31st day of August 2021**.

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

{HOSPITAL DISTRICT SEAL}