

**NOTICE OF A PUBLIC MEETING AND PUBLIC HEARING  
OF THE BOARD OF DIRECTORS  
OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT**

The Public Meeting and Public Hearing of the Board of Directors of Montgomery County Hospital District was duly convened at 2:00 p.m., August 18, 2008, in the administrative offices of the Montgomery County Hospital District, 200 River Pointe Suite 200, Conroe, Montgomery County, Texas

**1. Call to Order**

Meeting called to order at 2:00.

**2. Invocation**

Mr. Posey led the invocation

**3. Pledge of Allegiance**

Mr. Fawn led the Pledge of Allegiance

**4. Roll Call**

Present:

Mr. Fawn

Mr. Posey

Mr. Bourgeois

Mr. Ambrosia

Mr. Hennigan

Ms. Whatley

Mrs. Wagner

**5. Convene public hearing on the proposed Tax Rate for Fiscal Year Ending September 30, 2009.**

Hearing was opened for public comments at 2:08.

Mr. Ed Henderson of Montgomery, Texas offered comments (attached)

**6. Close public hearing on the proposed Tax Rate for Fiscal Year Ending September 30, 2009.**

All those who wished to speak were heard, meeting closed to public comment at 2:09.

**7. Adjourn**

Ms. Whatley moved to adjourn the meeting a second was offered by Mr. Hennigan and the Public Hearing adjourned at 2:09.

  
Approval

MCHD Proposed Tax Increase  
Board Meeting 8/18/08 2 PM

Intro - Ed Henderson, Montgomery, TX

Former Federal Government Financial Executive

Former State Government Financial Executive, States of  
New York and Oklahoma

Former County Financial Executive, San Bernardino, CA

Former City Financial Executive, City of Chino Hills, CA

Former Elected City Council Member, City of Yucaipa, CA

The board is proposing an 11.3% increase in the tax burden of every property owner in the County of Montgomery solely based on increased valuation. This is 4.7 times the Core Inflation rate of 2.4% for 2007

On the other hand, if you adopted the “effective” tax rate of \$0.073 per \$100 of the taxable value the increase would still be a 4.6% increase. Even though this would be almost 2 times the rate of the CPI it would be more understandable and acceptable.

I ask that you do the statesman/stateswoman thing you were elected for and find the necessary reductions in the budget that will allow you to keep the effective tax rate at \$0.073 per \$100 assessed value.

Easy is not always the best way to govern.

## Core Inflation (CPI)

A measure of inflation that excludes certain items which face volatile price movements. Core inflation eliminates products that can have temporary price shocks because these shocks can diverge from the overall trend of inflation and give a false measure of inflation.

CPI for 12 months ended 6/08 was 5.0, less food and energy was 2.4 (Dept of Labor Stats.)

## Additional Interesting Information

In 2007-08 your increased your Stipend by 431.8% to \$190,000 per year for 7 Board members or over \$27,000 per member. That is unthinkable for part-time elected officials. Even our members in Congress wouldn't be that brash.

Also in 2007-08 regular pay for employees was budgeted for a 6.2% increase while people on social security only got an increase of 2.4%.

Proposed increase in regular pay is budgeted for an increase of 33.2% for 2008-09 but doesn't indicate what portion is for additional employees and what portion is for salary increases. Paid "time-off" is budgeted for an increase of 67.2% which is at a greater % of regular pay than in 2007-08 by 1.9%.

The proposed increase in 401A funding is 41.6%, again a greater percent than in 2007-08.

Finally with all this talk about increasing taxes to pay for increased spending you are setting on a \$26.5 million Unrestricted Reserve of taxpayer dollars. This is while your neighbors are losing their homes because of unreasonable and unjustified tax burdens.

### Solution

As a former Executive with the General Accounting Office (GAO) in Washington, DC, I understand the value of independent review by independent groups. I propose a Citizens Budget Review Committee (CBRC) made up of individuals from a wide spectrum of the County economic community. As the GAO represents Congress and reports to the US public at large so would the CBRC represent the Board and report to the Citizens of Montgomery County.