

# **Montgomery County Hospital District Board of Directors Mission, Vision, and Values Statements**

Our mission is to care for the indigent and provide EMS services while protecting the interest of taxpayers and insuring long-term stability through fund development.

Our vision is cost effective indigent care and taxpayer supplemented EMS with total professionalism administered through an elected board of directors.

Our values are quality, innovation, cost effective operations that are open to the public.

**PUBLIC RELEASE**

**MONTGOMERY COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
2017-2018**

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# MCHD Board of Director Manual

(January, 2017)

- 1) Enabling Act
- 2) Bylaws (Updated *September 10, 2013*)
- 3) Policy on posting agenda items
- 4) Banking and Investment Policy (*Updated April 22, 2014*)
- 5) MCHD Disclosure Statement
- 6) Candidate/Office Holder Campaign Finance Report (*COH Form - Revised 04/19/2013*)
- 7) Texas Ethics Commission Form C/OH Instruction Guide (*Revised 04/19/2013*)
- 8) Purchasing Policies and Procedures (*Updated 05/2012*)
- 9) Resolutions
- 10) HCAP - Health Care and Assistance Program Page Link  
<http://www.mchd-tx.org/healthcare-assistance-services/>
- 11) Montgomery County Indigent Cared Plan - MCIP HANDBOOK  
<http://www.mchd-tx.org/wordpress/wp-content/uploads/NEXT-MCICP-Handbook.pdf>
- 11) Medical Assistance Plan - MAP HANDBOOK  
<http://www.mchd-tx.org/wordpress/wp-content/uploads/NEXT-MAP-HandbookFINAL.pdf>

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<sup>1</sup> The Montgomery County Hospital District was created in 1977 by the 65<sup>th</sup> Leg., R.S., Ch. 258. It was amended by the following Acts: Act of 1985, 69<sup>th</sup> Leg., R.S., Ch. 516; Act of 1991, 72<sup>nd</sup> Leg., R.S., Ch. 511; Act of 1993, 73<sup>rd</sup> Leg., R.S., Ch. 267; Act of 1995, Ch. 468; Act of 1999, 76<sup>th</sup> Leg. R.S., Ch. 747; Act of 2003, 78<sup>th</sup> Leg. R.S., Ch. 529 (HB 1251); Act of 2005, 79<sup>th</sup> Leg. R.S.Ch. 690 (SB 264) and Ch. 476 (HB 192); Act of 2009, 81<sup>st</sup> Leg. R.S. Ch. \_\_\_\_\_ (HB 1517); Codified Into Special Districts Code by Act of 2009, 81<sup>st</sup> Leg. R.S. Ch. \_\_\_\_\_ (HB 2619).

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CHAPTER 1063. MONTGOMERY COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1063.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Montgomery County Hospital

District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.002. AUTHORITY FOR OPERATION. The Montgomery County Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Montgomery County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1063.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

- (1) one director elected from each county commissioners precinct; and
- (2) three directors elected from the district at large by position.

(b) A district voter may vote on the directors to be elected at large and on the director to be elected from the precinct in which the voter resides.

(c) An election shall be held on the uniform election date in May of each even-numbered year to elect the appropriate number of directors.

(d) Directors serve staggered four-year terms that expire on the second Tuesday in June.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person:

- (1) is more than 21 years of age at the time of the appointment or election;

(2) is a resident of the district; and

(3) is a qualified voter.

(b) A director who represents a county commissioners precinct must be a resident of that precinct.

(c) A person may not be elected or appointed as a director if the person holds another appointed or elected public office of honor, trust, or profit.

(d) A person who holds another public office of honor, trust, or profit and seeks to be appointed or elected as a director automatically vacates the first office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters; and

(2) filed at least 25 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.054. NOTICE OF ELECTION. At least 10 days before the date of a regular election of directors, notice of the election shall be published one time in a newspaper of general circulation in Montgomery County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.055. RUNOFF ELECTION. (a) If no candidate for a particular director position at a regular directors' election receives a majority of the votes of the voters voting in that race, the board shall order a runoff election.

(b) At least seven days before the date of a runoff election, the board shall publish notice of the election one time in a newspaper or newspapers that individually or collectively have general

circulation in the area of the runoff election.

(c) Of the names printed on the ballot at a runoff election, the name of the candidate who received the higher number of votes at the general election of directors must be printed first on the ballot.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.057. OFFICERS. The board shall elect from among its members a presiding officer, assistant presiding officer, treasurer, and secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.058. COMPENSATION. A director serves without compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.059. BOND; RECORD OF BOND. (a) Each director shall execute a good and sufficient bond for \$1,000 that is:

(1) payable to the district; and  
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond shall be deposited with the district's

depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.060. VOTING REQUIREMENT. A concurrence of a majority of the directors present is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.061. CALLING MEETINGS. The presiding officer or any four directors may call a board meeting.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.062. CHIEF ADMINISTRATIVE OFFICER; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as the district's chief administrative officer. That officer shall be known as the district president or by another title selected by the board.

(b) The board may appoint one or more assistant administrators. An assistant administrator shall be known as the district vice president or by another title selected by the board.

(c) The chief administrative officer and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.063. GENERAL DUTIES OF CHIEF ADMINISTRATIVE OFFICER. Subject to the limitations prescribed by the board, the chief administrative officer shall:

- (1) supervise the work and activities of the district; and
- (2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,

eff. April 1, 2011.

Sec. 1063.064. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the chief administrative officer the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

- (1) establishing or administering a retirement program; or
- (2) participating in:

(A) the Texas County and District Retirement System;

or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1063.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for

hospital or health care purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the health care or hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.104. HEALTH CARE OR HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a health care or hospital system by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and

(B) equipping the buildings; and

(2) the administration of the system for health care or hospital purposes.

(b) The health care or hospital system may include:

(1) domiciliary care and treatment of the sick, injured, or geriatric;

(2) hospitals;

(3) outpatient clinics;

(4) dispensaries;

(5) convalescent home facilities;

(6) necessary nurses;

(7) domiciliaries and training centers;

(8) blood banks;

(9) community mental health centers;

(10) research centers or laboratories;

(11) ambulance services; and

(12) any other facilities the board considers necessary for health or hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,



eff. April 1, 2011.

Sec. 1063.105. RULES. The board may adopt rules governing the operation of the hospital, the health care or hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method and manner of making purchases and expenditures by and for the district; and
- (2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate health care or hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. Except as provided by Subsection (c), the term of a lease may not exceed 25 years from the date entered.

(c) District land may not be leased for a period exceeding 25 years unless the board:

- (1) finds that the land is not necessary for health care or hospital purposes;
- (2) complies with any indenture securing the payment of district bonds; and
- (3) receives not less than the current market value for the lease.

(d) The district may acquire equipment for use in the district's health care or hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the

entire obligation be retired not later than the fifth anniversary of the date of the contract.

(e) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board must comply with Section 272.001, Local Government Code, when selling district land other than land the district is authorized to sell or exchange under Subsection (f).

(f) The district may sell or exchange a hospital, including real property necessary or convenient for the operation of the hospital and real property that the board finds may be useful in connection with future expansions of the hospital, on terms the board determines to be in the district's best interests. The district must comply with the procedures prescribed by Sections 285.051 and 285.052, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.108. TAKEOVER OF NONPROFIT HOSPITAL PROPERTY. The district may take over and may accept title to land, buildings, improvements, and equipment of a nonprofit hospital in the district if the governing authority of the hospital and district agree to the transfer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the

district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires the relocation, raising, lowering, rerouting, or change in grade or alteration in the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities or pipelines, the board must bear the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.112. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than \$10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.115. CONTRACTS FOR HEALTH CARE SERVICES. (a) As permitted by the Texas Constitution and Chapter 61, Health and Safety Code, the district may:

(1) enter into a contract relating to the provision of health care services on terms the board determines to be in the district's best interests; and

(2) make payments under the contract.

(b) The term of a contract under this section may not exceed 15 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, health care,

hospital, or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.117. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the chief administrative officer may have an inquiry made into the circumstances of:

- (1) the patient; and
- (2) the patient's relatives who are legally liable for the patient's support.

(b) If the chief administrative officer determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the district facility, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the chief administrative officer determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The chief administrative officer may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the chief administrative officer, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.1175. ADDITIONAL POWERS RELATED TO INDIGENT HEALTH

CARE. In addition to the powers otherwise provided by this chapter, the district may exercise any power granted to a county or a public hospital by Sections 61.035, 61.057, 61.058, and 61.059, Health and Safety Code, as those sections existed on September 30, 2009, including the power to require a person to comply with a corresponding duty.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.007 (a), eff. September 1, 2011.

Sec. 1063.118. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute or cause to be contributed available funds to the corporation. A corporation under this section must be a nonmember, nonstock corporation.

(b) The board of directors of the corporation shall be composed of seven district residents appointed by the district's board. The district's board may remove any director of the corporation at any time with or without cause.

(c) The corporation may use money, other than money the corporation pays to the district, only to provide or pay the costs of providing or costs related to providing indigent health care or other services the district is required or authorized to provide under the constitution or state law.

(d) The district's board shall establish controls to ensure that the corporation uses its money as required by Subsection (c).

(e) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.119. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1063.151. BUDGET. (a) The chief administrative officer shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

- (1) the outstanding obligations of the district;
- (2) the cash on hand in each district fund;
- (3) the money received by the district from all sources during the previous year;
- (4) the money available to the district from all sources during the ensuing year;
- (5) the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated revenue and balances available to cover the proposed budget; and
- (7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the chief administrative officer. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that district revenue bonds are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief administrative officer shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of district



money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1063.160, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the amount of district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1063.107(d) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER E. BONDS

Sec. 1063.201. GENERAL OBLIGATION BONDS. The board may issue

and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

- (1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
- (2) equipping buildings or improvements for health care or hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1063.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each \$100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The election order must provide for clerks as in county elections and must specify:

- (1) the date of the election;
- (2) the location of the polling places;
- (3) the presiding and alternate election judges for each polling place;
- (4) the amount of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.206. REVENUE BONDS. (a) The district may issue revenue bonds or certificates of obligation or may incur or assume any other debt only if authorized by a majority of the district voters voting in an election held for that purpose. This subsection does not apply to refunding bonds or other debt incurred solely to refinance an outstanding debt.

(b) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for health care or hospital purposes; or

(2) acquire sites to be used for health care or hospital purposes.

(c) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital or health care facilities.

(d) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(e) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.209. TAX ANTICIPATION NOTES. (a) The board may:

(1) declare an emergency because money is not available to:

(A) pay the principal of and interest on any district bonds payable wholly or partly from taxes; or

(B) meet any other needs of the district; and

(2) issue negotiable tax anticipation notes to borrow the money the district needs.

(b) Tax anticipation notes may be issued for any purpose for which the district may impose taxes.

(c) Tax anticipation notes may bear interest at any rate or rates authorized by law.

(d) Tax anticipation notes must mature not later than one year after the date of issuance.

(e) Tax anticipation notes must be secured by the proceeds of taxes to be imposed by the district in the succeeding 12-month period.

(f) The board may covenant with the note purchasers that the board will impose a sufficient tax in the following fiscal year to pay the principal of and interest on the notes and pay the costs of collecting the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.210. CERTIFICATES OF OBLIGATION. (a) The district may issue and sell certificates of obligation for a purpose permitted under this chapter.

(b) The certificates of obligation must be issued and sold in conformity with and in the manner specified for a municipality or county by Subchapter C, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER F. TAXES

Sec. 1063.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose an ad valorem tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each \$100 valuation of taxable property in the district subject to district taxation.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have district taxes assessed and collected under Section 1063.254.

(b) The tax assessor-collector of Montgomery County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.254. ASSESSMENT AND COLLECTION BY APPOINTMENT OR CONTRACT. (a) The board may elect to:

(1) appoint a tax assessor-collector to assess and collect district taxes; or

(2) contract for the assessment and collection of taxes as provided by the Tax Code.

(b) An election under this section must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(c) The board shall set for the appointed tax assessor-collector:

- (1) the term of employment; and
- (2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.255. PETITION AND ORDER FOR ELECTION TO REDUCE TAX RATE. (a) Notwithstanding Section 26.07(b)(3), Tax Code, a petition to require an election under Section 26.07, Tax Code, on reducing the district's tax rate to the rollback tax rate shall be submitted to the Montgomery County elections administrator instead of to the board.

(b) Notwithstanding Section 26.07(c), Tax Code, not later than the 20th day after the date a petition is submitted under Subsection (a), the elections administrator shall:

- (1) determine whether the petition is valid under Section

26.07, Tax Code; and

(2) certify the determination of the petition's validity to the board.

(c) If the elections administrator fails to act within the time allowed, the petition is treated as if it had been found valid.

(d) Notwithstanding Section 26.07(d), Tax Code, if the elections administrator certifies to the board that the petition is valid or fails to act within the time allowed, the board shall order that an election under Section 26.07, Tax Code, to determine whether to reduce the district's tax rate to the rollback rate be held in the district in the manner prescribed by Section 26.07(d) of that code.

(e) The district shall reimburse the elections administrator for reasonable costs incurred in performing the duties required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER G. DISSOLUTION

Sec. 1063.301. DISSOLUTION ELECTION; PETITION. (a) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(b) The board shall order an election on the question of dissolving the district and disposing of the district's assets and obligations if the board receives a petition by district residents requesting an election that:

(1) is certified as valid by the Montgomery County elections administrator under Section 1063.302; or

(2) the Montgomery County elections administrator fails to act on within the time allowed by Section 1063.302.

(c) A petition requesting an election must:

(1) state that it is intended to request an election in the district on the question of dissolving the district and disposing of the district's assets and obligations;

(2) be signed by a number of district residents equal to at least 15 percent of the total vote received by all candidates for governor in the most recent gubernatorial general election in the district that occurs more than 30 days before the date the petition is

submitted; and

(3) be submitted to the Montgomery County elections administrator.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.302. VALIDITY OF PETITION FOR ELECTION. (a) Not later than the 30th day after the date a petition requesting the dissolution of the district is submitted under Section 1063.301, the Montgomery County elections administrator shall:

(1) determine whether the petition is valid; and

(2) certify the determination of the petition's validity to the board.

(b) If the elections administrator fails to act within the time allowed, the petition is treated as if it had been found valid.

(c) If a petition submitted under Section 1063.301 does not contain the necessary number of valid signatures, the district residents may not submit another petition under Section 1063.301 before the third anniversary of the date the invalid petition was submitted.

(d) The district shall reimburse the county elections administrator for reasonable costs incurred in performing the duties required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.303. ELECTION DATE. An election under this subchapter shall be held on the earlier of the following dates that occurs at least 90 days after the date on which the election is ordered:

(1) the uniform election date in May; or

(2) the date of the general election for state and county officers.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.



Sec. 1063.304. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Montgomery County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.305. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before:

(1) the fourth anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(a); or

(2) the third anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.306. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY BOARD. (a) This section, Section 1063.307, and Section 1063.308 apply to an election called under Section 1063.301(a).

(b) If a majority of the votes in the election favor dissolution, the board shall:

(1) transfer the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held; and

(2) transfer the land, buildings, improvements, equipment not described by Subdivision (1), and other assets that belong to the district to Montgomery County or administer the property, assets, and debts in accordance with Subsection (e) and Sections 1063.307 and 1063.308.

(c) The county assumes all debts and obligations of the district relating to the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment at the time of the transfer.

(d) If the district makes the transfer under Subsection (b)(2), the county assumes all debts and obligations of the district relating to those assets at the time of the transfer, and the district is dissolved.

(e) If the board finds that the district is dissolved but does not transfer the land, buildings, improvements, equipment, and other assets to Montgomery County under Subsection (b)(2), the board shall continue to control and administer that property and those assets and the related district debts until all money has been disposed of and all district debts have been paid or settled.

(f) The county shall use all transferred assets to:

- (1) pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
- (2) provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board finds that the district is dissolved, the board shall:

- (1) determine the debt owed by the district; and
- (2) impose on the property included on the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return:

- (1) to each district taxpayer the taxpayer's pro rata share of all unused tax money; and
- (2) to Montgomery County all unused district money from any other source.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to send the

money to the county tax assessor-collector.

(d) Montgomery County shall use unused district money received under this section to provide medical and hospital care for needy county residents.

(e) The board may institute a suit to enforce payment of taxes under this section and to foreclose liens to secure the payment of the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Montgomery County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Montgomery County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.309. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY DISTRICT PETITION. (a) This section applies to an election called under Section 1063.301(b).

(b) If a majority of the votes in the election favor dissolution, the board shall transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held.

(c) The county assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(d) The county should use all transferred assets in a manner that benefits county residents residing in territory formerly constituting the district.

(e) The county shall use all transferred assets to:

- (1) pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
- (2) provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.



U.S. Department of Justice  
Civil Rights Division

TCH:RSB:JBG:EEK:par  
DJ 166-012-3  
2011-4416

*Voting Section - NWB  
950 Pennsylvania Avenue, NW  
Washington, DC 20530*

December 7, 2011

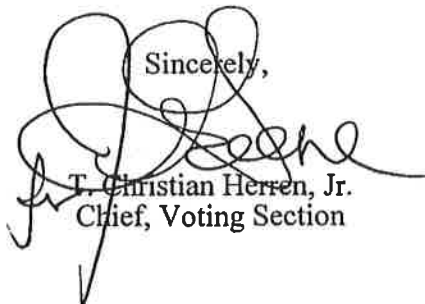
J. Greg Hudson, Esq.  
Hudson & O'Leary  
1010 MoPac Circle, Suite 201  
Austin, Texas 78746

Dear Mr. Hudson:

This refers to the change in general election date from May to November, a one-time extension in terms of office and implementation schedule for the Montgomery County Hospital District in Montgomery County, Texas, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on October 20, 2011.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Christian Herren, Jr.", written over the typed name and title.

T. Christian Herren, Jr.  
Chief, Voting Section

BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65<sup>th</sup> Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65<sup>th</sup> Legislature of the State of Texas, as amended);

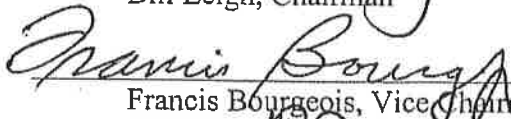
AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;


AND WHEREAS, the Board has reviewed the Bylaws adopted January, 1982;

AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended;

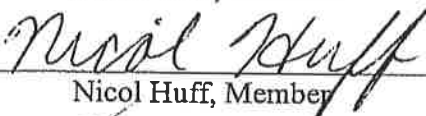
NOW, THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTORS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.


  
Bill Leigh, Chairman

  
Francis Bourgeois, Vice Chairman

  
Eric Yollick, Secretary

  
David Witt, Treasurer

  
Nicol Huff, Member

  
Jack Mitchell, Member

\_\_\_\_\_  
, Member (Vacant)

\_\_\_\_\_  
Adopted/Date

June 17, 2003  
Revised/Amended/Date

# BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65<sup>th</sup> Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65<sup>th</sup> Legislature of the State of Texas, as amended);

AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;

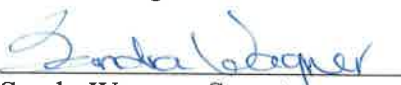
AND WEHREAS, the Board has review the Bylaws adopted January, 1982:

AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended:

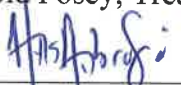
NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTOS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.


  
Georgette Whatley, Chairman


NOT PRESENT  
John Hennigan, Vice Chairman

  
Sandy Wagner, Secretary

NOT PRESENT  
Harold Posey, Treasurer

  
Hans Ambrosia, Member

  
Bob Bagley, Member

  
Kenn Fawn, Member

\_\_\_\_\_  
Adopted/Date

7/27/2010  
Revised/Amended Date

# BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65<sup>th</sup> Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65<sup>th</sup> Legislature of the State of Texas, as amended);


AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;

AND WEHREAS, the Board has review the Bylaws adopted January, 1982:

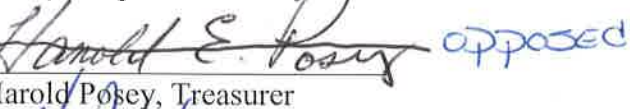
AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended:

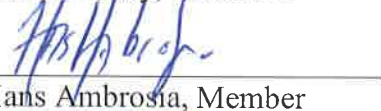
NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTORS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.

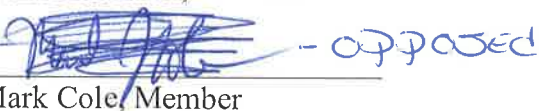
  
Georgette Whatley, Chairman

  
Bob Bagley, Vice Chairman

  
Sandy Wagner, Secretary

 *opposed*  
Harold Posey, Treasurer

  
Hans Ambrosia, Member

 *- opposed*  
Mark Cole, Member

 *- opposed*  
Kenn Fawn, Member

\_\_\_\_\_  
Adopted/Date

*May 22, 2012*  
\_\_\_\_\_  
Revised/Amended Date

*IV / 6*  
\_\_\_\_\_  
Article No./Section No.



BY-LAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65<sup>th</sup> Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65<sup>th</sup> Legislature of the State of Texas, as amended);

AND WHEREAS, the duly-elected Board of Directors of the District, adopted by-laws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;


AND WHEREAS, the Board has reviewed the by-laws adopted January, 1982;

AND WHEREAS, it is the judgment of the Board that such by-laws should be revised and amended:

NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following by-laws as revised and amended for governing of the BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT.

  
Kenn Fawn, Chairman


~~NOT PRESENT~~  
Mark Cole, Vice-Chairman

~~~~  
Sandy Wagner, Secretary

  
Harold Posey, Treasurer

~~NOT PRESENT~~  
Hans Ambrosia, Member

~~~~  
Bob Bagley, Member

  
Georgette Whatley, Member

\_\_\_\_\_  
Adopted/Date

SEPTEMBER 10, 2013  
Revised/Amended/Date

# Bylaws of the Governing Board

**ARTICLE 1. NAME AND PURPOSE**

**Section 1. Name.** The organization shall be known as the Montgomery County Hospital District.

**Section 2. Purpose.** The purpose of the organization shall be to fulfill those purposes under the District's enabling statute.

## ARTICLE II. BOARD OF DIRECTORS

- Section 1. **Number of Directors.** There shall be seven (7) members elected as directors in accordance with Section 4, Chapter 258, Acts of the 65<sup>th</sup> Texas Legislature; as amended.
- Section 2. **Qualifications.** To be elected or appointed to the Board, a person must fulfill the following requirements as set out in the above referenced statute creating the Montgomery County Hospital District.
- a. **Must be resident of the District, a freeholder, and a qualified elector at the time of such election or appointment and he shall be more than 21 years of age.**
  - b. **Cannot hold another elected or appointed public office of honor, trust or profit. A person holding another public office of honor, trust or profit who seeks to be appointed or elected a director must vacate the first office.**
  - c. **Each member of the Board shall serve without compensation.**
  - d. **Each member shall qualify by executing the constitutional Oath of Office and shall execute a good and sufficient bond for \$1,000 payable to the District conditioned upon the faithful performance of his duties, and the bonds shall be deposited with the depository of the bank of the District for safekeeping.**
  - e. **Members shall have a commitment to the delivery of quality healthcare to the community and the fulfillment of the purpose of these bylaws.**
- Section 3. **Authority.** Board Members shall have no authority except when functioning as a member of the Board in an official meeting. No individual member of the Board may exercise authority with respect to the operation of the Health Care Assistance Program, Public Health Department and Clinic, or the Emergency Medical Service or of services Montgomery County Hospital District employees by virtue of their status as Board Members.

- Section 4. Terms. Members shall be elected by the electors of the Hospital District.
- a. Three (3) of the Directors shall be elected at large from the entire district.
  - b. Four (4) of the Directors shall be elected from a different commissioner's precinct in the District and each shall be a resident of the precinct he/she represents.
  - c. Directors shall serve for terms of four (4) years expiring on the second Tuesday in December.

Section 5. Vacancies. All vacancies in the Board shall be filled for the unexpired term by appointment by the remainder of the Board of Directors. In the event the number of Directors shall be reduced to less than four (4) for any reason, the remaining Directors shall immediately call for a special election to fill said vacancies, and upon failure to do so, a district court may, upon application of any voter or taxpayer of the District, issue a mandate requiring that such election be ordered by the remaining Directors.

Section 6. Voting rights of Members. Each member shall be entitled to one (1) vote on all matters before the membership. There shall be no voting by proxy.

ARTICLE III. REGULAR AND SPECIAL MEETINGS OF THE BOARD

- Section 1. **Regular Meetings.** The Board shall hold a regular meeting on the fourth Tuesday of each month.
- Section 2. **Special Meetings.** Special meetings may be called by the Chairman or any four (4) members of the Board. Written notice of special meetings shall be mailed or sent electronically to each member at least seventy-two (72) hours before the time of such special meeting.
- Section 3. **Notice of time and place of meeting shall be posted in accordance with the Texas Open Meetings Law and other applicable statutes.**
- Section 4. **Place of Meeting.** Regular monthly meetings of the Board shall be held at any place which has been designated. In the absence of such designation, regular meetings shall be held at the principal office of the Hospital District. Special meetings may be held either at a place so designated or at the principal office.
- Section 5. **Quorum of Regular Meetings.** To conduct business of a regular or special meeting, a quorum shall consist of any four (4) members of the Board.
- Section 6. **Minutes.** Written minutes shall be maintained on all meetings to reflect all proceedings and actions thereof.
- Section 7. **Rules of Order.** All meetings of the Board of Directors shall be conducted in accordance with the most current edition of ROBERT'S RULES OF ORDER.
- Section 8. **Attendance Requirements.** Any member who is compelled to be absent from any consecutive regular or special Board meetings shall promptly provide to the presiding officer the reason for such absences.

## ARTICLE IV. OFFICERS

- Section 1. **Officers.** The officers of the Board of Directors shall be a Chairman, a Vice-Chairman, a Secretary, a Treasurer. The offices of Chairman, Secretary and/or Treasurer will not be held by the same person.
- Section 2. **Chairman.** The Chairman of the Board shall, if present, preside at all meetings of the Board and shall exercise and perform such other powers and duties as may be prescribed in the Bylaws. The Chairman shall be an ex officio member of all committees.
- Section 3. **Vice Chairman,** The Vice Chairman of the Board shall preside at meetings of the Board in the absence of the Chairman and, when so acting, shall have the power and authority of the Chairman.
- Section 4. **Secretary.** The Secretary of the Board shall send appropriate notices and prepare agendas for all meetings of the Board. The Secretary shall act as custodian of all records and reports, and shall be responsible for the keeping and reporting of adequate records of all meetings of the Board.
- Section 5. **Treasurer.** The Treasurer shall be responsible for all funds of the Hospital District and shall ensure that a true and accurate accounting of the financial transactions of the Hospital District is made, that reports of such transactions are presented to the Board, and that all accounts payable are presented to such representative as the Board may designate for authorization of payment.
- Section 6. **Election.** The officers shall be elected annually by the Board from its own membership at the December Board meeting. All officers shall hold office for a period of (1) year, or until the member resigns, or is removed, or a successor has been elected and qualified.
- Section 7. **Removal and Resignation.** Any officer may be removed from office, with cause, by the members of the Board at any regular meeting thereof. Any officer may resign at any time by giving written notice to the Board or to the Chairman. Any such resignation shall take effect at the date of the receipt of such notice or at any time specified therein; and unless otherwise specified therein; and unless otherwise resignation shall be necessary to make it effective.
- Section 8. **Vacancies.** A vacancy in any office because of the death, resignation, removal or any other cause shall be filled in the manner prescribed in the Bylaws and applicable statutes for regular appointment to such office.

## ARTICLE V. COMMITTEES

- Section 1. Committees. Committees of the board shall be standing and special. Standing committees shall consist of the following:
1. Health Care Assistance Program Committee (HCAP Committee)
  2. Emergency Medical Services Committee (EMS Committee)
  3. Planning and Development Committees (P ADCOM Committee)
  4. Finance Committee
  5. Personnel Committee
  6. Legislative and Outreach Committee
- Section 2. Special Committees. Special Committees may be appointed by the Chairman of the Board for whatever special purpose is needed to be addressed at the time of forming a Special Committee. The Chairman of the Board may set the policies, procedures, and duration of the Special Committee.
- Section 3. For all Committees formed under these Bylaws the following rules shall apply unless the Board specifically alters or chooses to create different rules: A simple majority constitutes a quorum of any committee. Each committee shall maintain minutes of its proceedings, recommendations, and actions. The Chairman of the Board shall make appointments to standing and special committees unless otherwise provided in the Bylaws.



Article V. (Quality Improvement Counsel) ~ Repealed at the September 10, 2013 Special BOD Meeting.



## ARTICLE VI. ADMINISTRATION

- Section 1. Chief Executive Officer. The Board shall appoint a competent Chief Executive Officer who shall be its direct executive representative in the management of the Hospital District. The Chief Executive Officer shall be given the necessary authority and responsibility to operate all its activities and departments, subject only to such policies as may be adopted, and such orders as may be issued by the Board or by any of its committees to which it has delegated power for such action. He shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to act. The Chief Executive Officer shall be an ex officio member of the Board without vote.
- Section 2. Authority and Responsibility. The authority and responsibility of the Chief Executive Officer shall include:
- a. Carrying out all policies established by the Board.
  - b. Development, and submission to the Board for approval, of a plan or organization of the personnel and others concerned with the operation of the Hospital District.
  - c. Preparation of an annual budget showing the expected receipts and expenditures as required by the Board.
  - d. Selection, employment, control and discharge of employees, and development and maintenance of personnel policies and practices.
  - e. Maintenance of physical properties in a good state of repair and operating condition.
  - f. Supervision of all business affairs to ensure that funds are collected and expended to the best possible advantage.
  - g. Cooperation with the Medical Staff and with all those concerned with the rendering of professional service to the end that high quality care shall be rendered to the patients.
  - h. Presentation to the Board of periodic reports reflecting the periodic reports reflecting the professional service and financial activities of the Hospital District and preparation and submission of such special reports as may be required by the Board.
  - i. Represented at all meetings of the Board and committees thereof.

EXHIBIT "A"

BOARD POLICY FOR PLACING AN ITEM ON A BOARD AGENDA

PROCEDURE:

1. The posting requirement is 72 hours prior to a scheduled Board meeting.
2. Agenda items for Special Meetings shall be submitted by any member of the Board to the Secretary by 8:30 o'clock a.m. on the last full District work day prior to the meeting posting deadline.  
Example 1: Meeting on Tuesday at 6 p.m. Posting deadline Saturday at 6 p.m. Submission deadline Friday at 8:30 a.m.  
Example 2: Meeting on Monday at 6 p.m. Posting deadline Friday at 6 p.m. Submission deadline Friday at 8:30 a.m.  
Example 3: Meeting on Wednesday at 9 a.m. Posting deadline Sunday at 9 a.m. Submission deadline Friday at 8:30 a.m.  
Example 4: Meeting on Thursday at 6 p.m. Posting deadline Monday at 6 p.m. Submission deadline Monday at 8:30 a.m.  
Example 5: Meeting on Saturday at 9 a.m. Posting deadline Wednesday at 9 a.m. Submission deadline Tuesday at 8:30 a.m.
3. Agenda items for any Regular Meeting (3<sup>rd</sup> Tuesday, each month) shall be submitted to the Secretary on Wednesday Noon prior to the scheduled meeting.
4. The Secretary may designate in writing a delegee for the receipt of resolutions.
5. Agenda items must be submitted in writing by fax, U.S. mail, courier, <sup>or</sup> personal delivery.

*James F. Hamill, CEO*

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Banking and Investment Policy

This banking and investment policy (“Investment Policy”) is adopted to meet the District’s responsibilities under the Public Funds Investment Act, Chapter 2256, Texas Government Code (hereinafter “Government Code”). Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to District funds. The District’s investment portfolio shall be designed and managed in a manner intended to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following primary objectives, listed in order of priority:

- \* **Safety** and preservation of principal
- \* Maintenance of sufficient **liquidity** to meet operating needs
- \* **Public trust** from prudent investment activities
- \* Optimization of **interest earnings** on the portfolio

1. **DEFINITIONS** For purposes of this Investment Policy, the following definitions shall apply:

- a. The “District” means Montgomery County Hospital District.
- b. “Bond Proceeds” means the proceeds from the sale of bonds, notes and any other obligations issued by the District, and reserves and funds maintained by the District for debt service purposes.
- c. “Book Value” means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.
- d. “Funds” means public funds in the custody of the District that the District is authorized to invest.
- e. “Investment Pool” means an entity created under the Government Code as set forth in §§2256.016 to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are: (i) preservation and safety of principal; (ii) liquidity; and (iii) yield.
- f. “Market Value” means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.
- g. “Qualified Representative” means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization and who is one of the following:
  - (1) for a business organization doing business that is regulated or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

- (2) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by a corporate resolution to act on behalf of and bind the banking institution; or
- (3) for an Investment Pool, the person authorized by the elected official or board with authority to administer the activities of the Investment Pool to sign the written instrument on behalf of the Investment Pool.

2. **INVESTMENT OFFICER(S)** The Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and Treasurer of the Board of Directors shall serve as investment officers of the District, shall recommend appropriate legally authorized and adequately secured investments, and shall invest District Funds as directed by the Board and this Investment Policy. All investment transactions, except Investment Pools, shall be executed on a delivery versus payment basis. In making investment decisions pertaining to investments of District funds, the Investment Officer(s) shall exercise the judgment and care under prevailing circumstances that a prudent person would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. When deciding whether an investment officer’s actions were prudent, the determination should be based upon the total investment portfolio, rather than an individual investment in the portfolio. However, an investment transaction not consistent with this Investment Policy would not be considered prudent.
3. **WITHDRAWAL & TRANSFER AUTHORITY** The Chief Executive Officer, Chief Financial Officer, or the Treasurer of the Board of Directors is authorized to withdraw, transfer, and reinvest the District’s investments as prescribed in this Investment Policy. Any other employee or representative of the District will be permitted to perform these functions by express written authority of the Board or the Chief Executive Officer (see Exhibit “B”).
4. **CHECKS, DRAFTS, ETC.**
  - a. Except as otherwise provided herein, all checks, drafts, notes or other orders for payment of money issued in the name of the District shall be signed (i) by the Chief Executive Officer, Chief Financial Officer, or by one (1) member of the Board for dollar amounts up to \$24,999.99; or (ii) by the Chief Executive Officer or Chief Financial Officer and by one (1) member of the Board for dollar amounts totaling \$25,000.00 or greater.
  - b. Due to an extended and/or unexpected absence of the Chief Executive Officer, all checks, drafts, notes or other orders for payment of money issued in the name of the District shall be signed (i) by the Acting CEO or Chief Financial Officer or by one (1) member of the Board for dollar amounts up to \$24,999.99; or (ii) by the Acting CEO or Chief Financial Officer and by one (1) member of the Board or by a combination of any three (3) members of the Board for dollar amounts totaling \$25,000.00 or greater.
  - c. The Chief Executive Officer may not initiate and sign a purchase order and thereafter sign the check (or authorize an electronic draft) evidencing payment of the Purchase Order.

With the express approval of the Board of Directors, drafts to the District’s bank accounts for certain expenditures may be made through electronic signatures, electronic payments, and/or other automated arrangements not requiring a physical signature of a District representative. The classification of expenditures approved by the Board for payment through electronic signatures, electronic payments, and/or other automated arrangements shall, upon their approval by the Board of Directors, be appended to the Investment Policy and constitute appendices hereto.

- (1) The Board of Directors acknowledges the “Approved Electronic Payments” as set forth in the document appended hereto as Appendix 1, which has been previously approved by the Board of Directors.
- (2) The Board of Directors acknowledges the “Approved Procedures to Process and Pay Indigent Claims,” as such procedures are set forth in the document appended hereto as Appendix 2, which has been previously approved by the Board of Directors.
- (3) The Board of Directors may provide further specific instructions for particular payments made through electronic signatures, electronic payments, and/or other automated arrangements.

5. **APPROVED INVESTMENTS** The District is authorized to invest its Funds in only the investment types, consistent with the strategies and maturities defined in this Investment Policy and chapter 2256 of the Government Code. The maximum stated maturity of any individual investment should be no longer than 10 years, and the maximum dollar-weighted average maturity of any pooled fund should be no longer than one year.

The District shall monitor the market price of its investments by using information from the *Wall Street Journal*. The investments set forth in Government Code §§ 2256.009(b), are not considered authorized investments.

6. **SAFETY AND INVESTMENT MANAGEMENT** The investment officer(s) shall observe financial market indicators, study financial trends, and utilize available educational tools in order to maintain appropriate managerial expertise. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio and offsets, during a 12-month period, any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio.

7. **LIQUIDITY AND MATURITY**

- a. Unless otherwise prohibited by law, assets of the District shall be invested in instruments whose maturities do not exceed ten (10) years from the time of purchase unless such instruments with longer maturities are expressly authorized by the Board of Directors through one or more resolutions passed at a public meeting of the Board of Directors..
- b. The District’s Investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements, projected on a weekly, monthly, and annual basis.

8. **DIVERSITY** The investment portfolio shall be diversified in terms of investment instruments, maturity, scheduling and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District may meet its obligation to diversify by placing all or part of its investment portfolio in a public funds Investment Pool meeting the requirements of Government Code §§ 2256.016, if the Board authorizes the investment in the particular pool by resolution.

9. **FUNDS/STRATEGIES** Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below:

**OPERATING FUNDS:** Investment strategies for operating funds and commingled pools containing operating funds shall have as their primary objective investment liquidity and maturity sufficient to meet anticipated cash flow requirements.

**DEBT SERVICE FUNDS:** Investment strategies for debt service funds shall be consistent with any requirements in the bond documents, and shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations and with no maturities extending beyond the final debt service payment date.

**DEBT SERVICE RESERVE FUNDS:** Investment strategies of debt service reserve funds shall be consistent with any requirements in the bond documents, and shall have as their primary objective the generation of a dependable revenue stream from high quality short-to-medium term securities with minimal volatility.

**BOND PROCEEDS:** Investment strategies shall be in compliance with the bond covenants regarding the investment and handling of such Funds.

**SAFEKEEPING and CUSTODY:** The cash, collateral, and investments of the District shall be held by an independent third party with whom the District has a current custodial agreement. Funds of the District in excess of federally insured amounts shall be collateralized by pledged securities in accordance with the Public Funds Collateral Act (Texas Government Code ch. 2257). The District shall retain clearly marked receipts providing proof of the District's ownership, or the District may delegate to an Investment Pool the authority to hold legal title as custodian of investments purchased with District Funds.

10. **BROKER/DEALERS** Broker/dealers must submit annual audited financial statements to the District and be in good standing with the National Association of Securities Dealers. Representatives of brokers/dealers shall be registered with the Texas State Securities Board. The Board, at least annually, shall review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District. The Board of Directors acknowledges the "List of Authorized, Qualified Brokers" as set forth in the document appended hereto as Appendix 3, which has been previously approved by the Board of Directors.
11. **SELLERS OF INVESTMENTS** A written copy of this Investment Policy shall be presented to any person offering to engage in an investment transaction with the District. The Qualified Representative of the business organization seeking to sell an authorized investment shall execute a written instrument stating:
  - a. The business organization has received and reviewed the District's Investment Policy; and
  - b. Has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization requires an analysis of the District's entire portfolio or requires an interpretation of subjective investment standards.

A form of the written instrument is attached as Exhibit "A". The investment officer may not acquire or otherwise obtain any authorized investment described in this policy from a person who has not delivered to the District an instrument that is substantially in this form.

12. **INVESTMENT TRAINING** The investment officers of the District shall: (1) attend at least one training session relating to the Treasurer's or Officers' responsibilities under the Public Funds Investment Act within 12 months after taking office or assuming duties; and (2) attend an investment training session not less than once in a two-year period and receive not less than ten



hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the Board. The training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

- 13. STANDARD OF CARE** Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investments shall be governed by the objectives specified in Government Code 2256.006, in the order of priority specified therein.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

- a. The investment of all Funds, rather than the prudence of a single investment, over which the officer had responsibility.
- b. Whether the investment decision was consistent with this Investment Policy.

- 14. PERSONAL INTEREST** An investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction for the District shall file a statement disclosing that personal business interest, and shall abstain from participation in the District's decision whether to engage the business organization for which the investment officer has a personal business relationship. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code, Chapter 573, to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship with the Board and with the Texas Ethics Commission. An investment officer has a personal business relationship with a business organization if:

- a. the investment officer owns 10 percent or more of the voting stock or shares of the business organizations or owns \$5,000 or more of the Fair Market Value of the business organization;
- b. Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- c. The investment officer has acquired from the business organization investments with a Book Value of \$2,500 or more for the personal account of the investment officer.

- 15. QUARTERLY REPORTS** The investment officer(s) shall prepare and submit to the Board a written report of investment transactions for all Funds covered by the Public Funds Investment Act, unless all of the District's investments are held by an Investment Pool. This report shall be presented to the Board not less than quarterly, within a reasonable time after the end of the period. The report must:

- a. Contain a detailed description of the investment position of the District on the date of the report.
- b. Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled funds group that states:
  - (1) Beginning Market Value for the reporting period.
  - (2) Additions and changes to the Market Value during the period.
  - (3) Ending Market Value for the period.

- (4) Fully accrued interest for the reporting period.
  - c. State the Book Value and Market Value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
  - d. State the maturity date of each separately invested asset that has a maturity date.
  - e. State the account or fund or pooled group fund in the District for which each individual investment was acquired.
  - f. State the compliance of the investment portfolio of the District as it relates to the District's investment strategy expressed in the District's Investment Policy and relevant provisions of law.
16. **ANNUAL REVIEW** The Investment Policy and the investment strategy shall be reviewed not less than annually by the Board. The Board shall affirmatively, by written resolution, state that it has reviewed the Investment Policy and investment strategy, and such resolution shall record any changes made in the Investment Policy or investment strategy.
17. **ANNUAL AUDIT** The Board shall perform or have conducted a compliance audit of management controls on investments and adherence to the Board's established investment policies. The compliance audit may be performed in conjunction with the annual financial audit by the District's independent auditing firm. If the District invests in other than money market mutual funds, Investment Pools or money market accounts offered by its depository bank in the form of certificates of deposit, the reports prepared by the investment officers shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board.
18. **ELECTRONIC FUNDS TRANSFER** The District may use electronic means to transfer or invest all Funds collected or controlled by the District.
19. **AUTHORIZATION** Unless authorized by this policy, (including the appendices hereto) a person may not deposit, withdraw, transfer, or manage in any other manner the Funds of the District.
20. **COMPLIANCE** All investments made by the District must comply with the Texas Public Funds Investment Act and all federal, state and local statutes, rule or regulations.

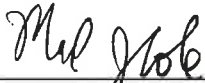
MONTGOMERY COUNTY HOSPITAL DISTRICT

**Banking and Investment Policy**  
(Signature Page)

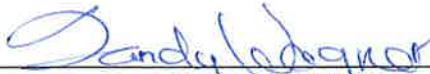
The undersigned hereby acknowledge that he/she has received and reviewed the District's Investment Policy:



\_\_\_\_\_  
Kenn Fawn, Chairman, MCHD Board of Directors



\_\_\_\_\_  
Mark Cole, Vice-Chairman, MCHD Board of Directors



\_\_\_\_\_  
Sandra Wagner, Secretary, MCHD Board of Directors



\_\_\_\_\_  
Harold Posey, Treasurer, MCHD Board of Directors



\_\_\_\_\_  
Bob Bagley, Member, MCHD Board of Directors



\_\_\_\_\_  
Georgette Whatley, Member, MCHD Board of Directors



\_\_\_\_\_  
Hans Ambrosia, Member, MCHD Board of Directors



\_\_\_\_\_  
Randy Johnson, MCHD Chief Executive Officer



\_\_\_\_\_  
D. Brett Allen, MCHD Director of Financial Services

April 22, 2014

\_\_\_\_\_  
Date

**EXHIBIT A**

**Form of Statement by Seller of Investments**

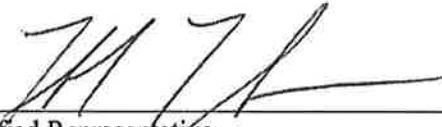
THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY   §

BEFORE ME, the undersigned authority, on this day personally appeared the person whose name is subscribed below, who, being by me first duly sworn, upon oath deposed and said:

My name is Frederick T. Greene. I am a Qualified Representative of Montgomery County Hospital District (the "Organization"), which is engaged in the business of selling investments and desires to sell investments to the Montgomery County Hospital District (the "District"). This statement is provided to meet the requirements of the Public Funds Investment Act.


I hereby certify that

1. I have received and reviewed the District's Investment Policy;
2. The Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the Organization that are not authorized by the District's Investment Policy, except to the extent that the Organization has not made an analysis of the make-up of the District's entire portfolio or has not engaged in any interpretation of subjective investment standards; and
3. The statements, representations and declarations made in this document are true and correct.

  
\_\_\_\_\_  
Qualified Representative

SWORN AND SUBSCRIBED BEFORE ME, this the 10<sup>th</sup> day of January 2014.



  
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

## **EXHIBIT B**

### **Withdrawal & Transfer Authority Addendum**

The Board of Directors and Chief Executive Officer hereby grant authority to the Accounting Manager to withdraw, transfer, and reinvest the District's investments as prescribed in this Investment Policy.

**Appendix 1**  
**Approved Electronic Payments**

Payee / Transaction Type	Purpose	Type	Notes
JP Morgan Card	"Company" Credit Card	Wire	
Exxon-Mobile Wright Express Card	Automobile Fuel	ACH	
Dr. Escott	Contract - Director of Clinical Services	ACH	
Dr. Walker	Contract - Medical Director	ACH	
American Express	Credit Card Processing Fees - Patient Payments	ACH	
TransFirst	Credit Card Processing Fees - Patient Payments	ACH	
Valic	Deferred Compensation Plan	ACH	
Connect Your Care	Flexible Spending Account	ACH	
Optum Health	Health Savings Account	ACH	
Metlife	Insurance - Dental, Vision, Life/AD&D, and Disability	ACH	
Blue Cross Blue Shield of Texas	Insurance - Health	Wire	
Colonial Life	Insurance - Optional Life, AD&D, Intensive Care, Cancer	ACH	
Raymond James	Investments - Certificates of Deposit	ACH	Transfer to/from Other MCHD Account
TexPool	Investments - Local Government Investment Pool	ACH	Transfer to/from Other MCHD Account
TexStar	Investments - Local Government Investment Pool	ACH	Transfer to/from Other MCHD Account
TCDRS	Retirement Plan	ACH	
Paychex	Third Party Payroll Services	ACH	
Waste Management	Trash Collection	ACH	
Texas Workforce Commission	Unemployment Benefits	ACH	
Approved Real Estate Transactions	Purchase of Real Property	Wire	
Approved Construction Projects	Station Buildout	Wire	
ADP	Third Party Payroll Services	ACH	
Texas Mutual	Workers' Compensation	ACH	

1) Only payments listed in this Appendix 1 are authorized by the Board of Directors for electronic payment. The Board of Directors may amend this listing from time to time by official action.

2) Electronic banking services will be executed pursuant to a service agreement with the District's banking institution.

3) Duties will be segregated as follows to ensure the integrity and security of the payments:

- a) An authorized Accounting staff member will set up the electronic payment and submit it for approval.
- b) The Chief Executive Officer, Chief Financial Officer, or one (1) member of the Board of Directors will approve the payment.
- c) The District's banking institution will send confirmation of the payment.
- d) An Accounting staff member, who is not authorized to create an electronic payment and submit it for approval, will monitor account activity throughout the month and reconcile the bank statement on a monthly basis.

## **Appendix 2**

### **Approved Procedures to Process and Pay Indigent Care Claims**

#### **Purpose**

The purpose of these proposed procedures is to provide guidance to the Montgomery County Hospital District (MCHD) regarding processing of payments for indigent care claims in connection with the Administrative Services Agreement between MCHD and Boon-Chapman Benefit Administrators, Inc. (“TPA”).

#### **Background**

MCHD has entered into an Administrative Services Agreement (Agreement) with TPA effective August 1, 2006. Under the terms of the Agreement, TPA is to provide certain claims administration services including but not limited to the following:

1. The receipt and review of claims and claims documentation.
2. Verification of eligibility and determination of medical necessity and amounts payable under the Plan in conjunction with Plan provisions concerning reasonableness of charges and preferred provider or other service agreements.
3. Determination of medical necessity and amounts payable under the Plan.
4. Reasonable steps, in accordance with the Plan provisions, to recover or offset erroneous payments of Plan benefits.
5. Preparation and mailing of benefit payment checks drawn on designated demand deposit accounts, and explanation of benefits (or denial of benefits).

MCHD will rely on TPA’s internal controls for the processing and payment of claims. TPA’s internal controls have been reviewed by an independent auditor and they maintain fidelity insurance. Claims will be paid through a separate MCHD bank account. MCHD will have constant ready access to TPA’s systems for the purpose of reviewing individual claims and aggregate reporting.

#### **Proposed Procedures**

1. MCHD will set up a separate checking account for HCAP disbursements.
2. TPA representatives will be among the signers on the account.
3. TPA will receive claims and process for payment.
4. TPA will submit a proposed check run to MCHD periodically (e.g. weekly).
5. MCHD staff will review and authorize payments.
6. MCHD will transfer funds to the HCAP disbursement bank account.
7. TPA will process and release checks.
8. TPA will provide detail and summary reports of claims processed on a monthly basis.
9. MCHD Board of Directors will review and ratify payments made at their monthly meeting.
10. HCAP disbursement account is not to have a balance exceeding \$2,000,000.

Approved April 22, 2014

**Appendix 3**  
**List of Authorized, Qualified Brokers**

**Institution**

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Raymond James Financial Services

**Representative**

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Frederick T. Greene



## The Montgomery County Hospital District Disclosure Statement

The purpose of this document is to assist in the determination of whether conflicts of interest may exist that would impair the impartiality of the Montgomery County Hospital District's ("District") actions.

All District employees, officers, and persons/entities contracting with the District must have this Disclosure Statement on file with the District and must update this Disclosure Statement if any of the information changes.

Employee Name (Reporting Party):	
Date:	
Job/Office Title of Reporting Party	

List the name and description of any business, family (spouse, parent, children) or other relationship of the reporting party to any District Board member, employee, or contractor (including officers and employees of a contractor)

Name	Description of Relationship

The name of any business entity (including self-employment) in which the Reporting Party or his or her spouse holds an economic interest:

Name of Business Entity	Type of Economic Interest

List the name of any business, or a parent or subsidiary business, of a business entity owned, operated, or managed by the Reporting Party or his/her spouse.

Name of Business	Partner or a Parent or Subsidiary	Reporting Party or his or her spouse

List the name of each nonprofit or business entity in which the reporting party serves as an officer, director, or in any other policy making position:

Name of nonprofit or business entity	Title of policy making position

List the name of each business entity that has sought District business, has a current District contract, or anticipates seeking District business in which the Reporting Party, or his family member, is known to directly or indirectly own:

1. Voting stock or shares of the business entity. (note any Ten (10) percent or more)

Name of Business Entity	Sought/has contract	By whom owned

2. Any ownership of the business entity. (note any Ten (10) percent or more or \$15,000 or more of the fair market value of entity)

Name of Business Entity	Sought/has contract	By whom owned

3. Derived any part of the Reporting Party's gross income for the previous year through the entity. (note any Ten (10) percent or more)

Name of Business Entity	Sought/has contract	By whom owned

The name of each public or private organization in which the reporting party serves as a member of the board of directors:

Name of Organization	Position	Type Organization

Employees – Please sign and have a witness sign  
Contractors – Must be notarized

### OATH

I swear or affirm that the statements contained in this Financial Disclosure Report  
(including any accompanying supplements) to the best of my knowledge and belief are  
true, correct, and complete.

\_\_\_\_\_  
SIGNATURE OF INDIVIDUAL COMPLETEING REPORT

\_\_\_\_\_  
WITNESS

SUBSCRIBED AND SWORN TO before me by

\_\_\_\_\_  
PRINTED NAME OF INDIVIDUAL COMPLETEING REPORT

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to certify which witness my hand and seal  
of office.

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

My Commission Expires: \_\_\_\_\_

# Instructions

This form is designed to be "one-size-fits-all." You will notice that the vast majority of the form will not apply to most employees. However, many will have information they can provide for at least one of the sections. It is very technical. Please call if you have questions.

Complete the blanks for name, date, and job title

## Section 1

List any relationship you have to a Board member, employee, or contractor.

Examples:

Your spouse works here too.

Your father owns a business that provides medical equipment to MCHD

## Section 2

List any business that you own or have an economic interest.

Examples:

You own your own home repair business.

Your spouse is a partner in a small company that makes scrap book materials.

## Section 3

List any businesses that you own, operate, or manage. This would include a business that owns another business (parent company), or is owned by another business (subsidiary company).

Example

You manage a store that sells widgets. The parent company is Johnson and Johnson. We buy a lot of J&J products. That would be a disclosable relationship.

## Section 4

List any non-profit agencies or companies that you serve in a decision making capacity.

Example

Officer in an ESD or volunteer fire department.

Officer in a industry advisory committee

Advisory Board Member for a United Way agency

## Section 5

List any business that you or a family member are affiliated with that have sought or received contracts with MCHD. There are three subsections here for that involve stock versus direct ownership versus income generation.

Example:

You own 10% or more of the stock of a company that has bid to sell us tires.

Your adult son owns a business that prints the t-shirts for EMS week.

Your father works for Blue Cross and earns 90% of his income from this.

## Section 6

List any organization in you serve on the Board of Directors

Example;

You are a Board member for your local civic association





# POLITICAL CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS

## SCHEDULE A

<b>The Instruction Guide explains how to complete this form.</b>		<b>1</b> Total pages Schedule A:	
<b>2</b> FILER NAME		<b>3</b> ACCOUNT # (Ethics Commission Filers)	
<b>4</b> Date	<b>5</b> Full name of contributor <input type="checkbox"/> out-of-state PAC (ID#: _____)  <b>6</b> Contributor address; City; State; Zip Code	<b>7</b> Amount of contribution (\$)	<b>8</b> In-kind contribution description (if applicable)
		(If travel outside of Texas, complete Schedule T)	
<b>9</b> Principal occupation / Job title (See Instructions)		<b>10</b> Employer (See Instructions)	
Date	Full name of contributor <input type="checkbox"/> out-of-state PAC (ID#: _____)  Contributor address; City; State; Zip Code	Amount of contribution (\$)	In-kind contribution description (if applicable)
		(If travel outside of Texas, complete Schedule T)	
Principal occupation / Job title (See Instructions)		Employer (See Instructions)	
Date	Full name of contributor <input type="checkbox"/> out-of-state PAC (ID#: _____)  Contributor address; City; State; Zip Code	Amount of contribution (\$)	In-kind contribution description (if applicable)
		(If travel outside of Texas, complete Schedule T)	
Principal occupation / Job title (See Instructions)		Employer (See Instructions)	
Date	Full name of contributor <input type="checkbox"/> out-of-state PAC (ID#: _____)  Contributor address; City; State; Zip Code	Amount of contribution (\$)	In-kind contribution description (if applicable)
		(If travel outside of Texas, complete Schedule T)	
Principal occupation / Job title (See Instructions)		Employer (See Instructions)	
Date	Full name of contributor <input type="checkbox"/> out-of-state PAC (ID#: _____)  Contributor address; City; State; Zip Code	Amount of contribution (\$)	In-kind contribution description (if applicable)
		(If travel outside of Texas, complete Schedule T)	
Principal occupation / Job title (See Instructions)		Employer (See Instructions)	

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**  
 If contributor is out-of-state PAC, please see instruction guide for additional reporting requirements.

# PLEGGED CONTRIBUTIONS

# SCHEDULE B

The Instruction Guide explains how to complete this form.

1 Total pages Schedule B:

2 FILER NAME

3 ACCOUNT # (Ethics Commission Filers)

4 TOTAL OF UNITEMIZED PLEDGES:

⇒ ⇒ ⇒ ⇒ ⇒ ⇒

\$

5 Date

6 Full name of pledgor  out-of-state PAC (ID#: \_\_\_\_\_)

8 Amount of pledge (\$)

9 In-kind description (if applicable)

7 Pledgor address; City; State; Zip Code

(If travel outside of Texas, complete Schedule T)

10 Principal occupation / Job title (See Instructions)

11 Employer (See Instructions)

Date

Full name of pledgor  out-of-state PAC (ID#: \_\_\_\_\_)

Amount of pledge (\$)

In-kind description (if applicable)

Pledgor address; City; State; Zip Code

(If travel outside of Texas, complete Schedule T)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of pledgor  out-of-state PAC (ID#: \_\_\_\_\_)

Amount of pledge (\$)

In-kind description (if applicable)

Pledgor address; City; State; Zip Code

(If travel outside of Texas, complete Schedule T)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of pledgor  out-of-state PAC (ID#: \_\_\_\_\_)

Amount of pledge (\$)

In-kind description (if applicable)

Pledgor address; City; State; Zip Code

(If travel outside of Texas, complete Schedule T)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of pledgor  out-of-state PAC (ID#: \_\_\_\_\_)

Amount of pledge (\$)

In-kind description (if applicable)

Pledgor address; City; State; Zip Code

(If travel outside of Texas, complete Schedule T)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

**If contributor is out-of-state PAC, please see instruction guide for additional reporting requirements.**



# LOANS

# SCHEDULE E

The Instruction Guide explains how to complete this form.

1 Total pages Schedule E:

2 FILER NAME

3 ACCOUNT # (Ethics Commission Filers)

4 TOTAL OF UNITEMIZED LOANS:    ⇨   ⇨   ⇨   ⇨   ⇨   ⇨

\$

5 Date of loan

7 Name of lender     out-of-state PAC (ID#: \_\_\_\_\_ )

9 Loan Amount (\$)

6 Is lender a financial Institution?  
  
Y    N

8 Lender address;    City;    State;    Zip Code

10 Interest rate

11 Maturity date

12 Principal occupation / Job title (See Instructions)

13 Employer (See Instructions)

14 Description of Collateral

none

15 Check if personal funds were deposited into political account

16 GUARANTOR INFORMATION

17 Name of guarantor

19 Amount Guaranteed (\$)

not applicable

18 Guarantor address;    City;    State;    Zip Code

20 Principal Occupation (See Instructions)

21 Employer (See Instructions)

Date of loan

Name of lender     out-of-state PAC (ID#: \_\_\_\_\_ )

Loan Amount (\$)

Is lender a financial Institution?  
  
Y    N

Lender address;    City;    State;    Zip Code

Interest rate

Maturity date

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Description of Collateral

none

Check if personal funds were deposited into political account

GUARANTOR INFORMATION

Name of guarantor

Amount Guaranteed (\$)

not applicable

Guarantor address;    City;    State;    Zip Code

Principal Occupation (See Instructions)

Employer (See Instructions)

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

**If lender is out-of-state PAC, please see instruction guide for additional reporting requirements.**

# POLITICAL EXPENDITURES

# SCHEDULE F

### EXPENDITURE CATEGORIES FOR BOX 8(a)

- |                     |                               |                                  |  |
|---------------------|-------------------------------|----------------------------------|--|
| Advertising Expense | Gift/Awards/Memorials Expense | Salaries/Wages/Contract Labor    | Loan Repayment/Reimbursement               |
| Accounting/Banking  | Legal Services                | Solicitation/Fundraising Expense | Transportation Equipment & Related Expense |
| Consulting Expense  | Food/Beverage Expense         | Travel In District               | Contributions/Donations Made By            |
| Event Expense       | Polling Expense               | Travel Out Of District           | Candidate/Officeholder/Political Committee |
| Fees                | Printing Expense              | Office Overhead/Rental Expense   | OTHER (enter a category not listed above)  |

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule F:	<b>2</b> FILER NAME	<b>3</b> ACCOUNT # (Ethics Commission Filers)
<b>4</b> Date	<b>5</b> Payee name	
<b>6</b> Amount (\$)	<b>7</b> Payee address; City; State; Zip Code	
<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See categories listed at the top of this schedule)	<b>(b)</b> Description (If travel outside of Texas, complete Schedule T)
<b>9</b> Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS

## SCHEDULE G

### EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense	Gift/Awards/Memorials Expense	Salaries/Wages/Contract Labor	Loan Repayment/Reimbursement
Accounting/Banking	Legal Services	Solicitation/Fundraising Expense	Transportation Equipment & Related Expense
Consulting Expense	Food/Beverage Expense	Travel In District	Contributions/Donations Made By
Event Expense	Polling Expense	Travel Out Of District	Candidate/Officeholder/Political Committee
Fees	Printing Expense	Office Overhead/Rental Expense	OTHER (enter a category not listed above)

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule G:	<b>2</b> FILER NAME	<b>3</b> ACCOUNT # (Ethics Commission Filers)
----------------------------------	---------------------	---

<b>4</b> Date	<b>5</b> Payee name
---------------	---------------------

<b>6</b> Amount (\$)  <input type="checkbox"/> Reimbursement from political contributions intended	<b>7</b> Payee address; City; State; Zip Code
--	---

<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See categories listed at the top of this schedule)	<b>(b)</b> Description (If travel outside of Texas, complete Schedule T)
---------------------------------	---	--

Date	Payee name
------	------------

Amount (\$)  <input type="checkbox"/> Reimbursement from political contributions intended	Payee address; City; State; Zip Code
---	--------------------------------------

PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
------------------------	--	---

Date	Payee name
------	------------

Amount (\$)  <input type="checkbox"/> Reimbursement from political contributions intended	Payee address; City; State; Zip Code
---	--------------------------------------

PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
------------------------	--	---

Date	Payee name
------	------------

Amount (\$)  <input type="checkbox"/> Reimbursement from political contributions intended	Payee address; City; State; Zip Code
---	--------------------------------------

PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
------------------------	--	---

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH

## SCHEDULE H

### EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense	Gift/Awards/Memorials Expense	Salaries/Wages/Contract Labor	Loan Repayment/Reimbursement
Accounting/Banking	Legal Services	Solicitation/Fundraising Expense	Transportation Equipment & Related Expense
Consulting Expense	Food/Beverage Expense	Travel In District	Contributions/Donations Made By
Event Expense	Polling Expense	Travel Out Of District	Candidate/Officeholder/Political Committee
Fees	Printing Expense	Office Overhead/Rental Expense	OTHER (enter a category not listed above)

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule H:	<b>2</b> FILER NAME	<b>3</b> ACCOUNT # (Ethics Commission Filers)
<b>4</b> Date	<b>5</b> Business name	
<b>6</b> Amount (\$)	<b>7</b> Business address; City; State; Zip Code	
<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See categories listed at the top of this schedule)	<b>(b)</b> Description (If travel outside of Texas, complete Schedule T)
<b>9</b> Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Business name	
Amount (\$)	Business address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Business name	
Amount (\$)	Business address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held
Date	Business name	
Amount (\$)	Business address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See categories listed at the top of this schedule)	Description (If travel outside of Texas, complete Schedule T)
Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought Office held

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS

## SCHEDULE I

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule I:	<b>2</b> FILER NAME	<b>3</b> ACCOUNT # (Ethics Commission Filers)
<b>4</b> Date	<b>5</b> Payee name	
<b>6</b> Amount (\$)	<b>7</b> Payee address; City; State; Zip Code	
<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See instructions for examples of acceptable categories)	<b>(b)</b> Description (See instructions regarding type of information required.)
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	(a) Category (See instructions for examples of acceptable categories)	(b) Description (See instructions regarding type of information required.)
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	(a) Category (See instructions for examples of acceptable categories)	(b) Description (See instructions regarding type of information required.)
Date	Payee name	
Amount (\$)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	(a) Category (See instructions for examples of acceptable categories)	(b) Description (See instructions regarding type of information required.)

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# INTEREST EARNED, OTHER CREDITS/GAINS/ REFUNDS, AND PURCHASE OF INVESTMENTS

## SCHEDULE K

The Instruction Guide explains how to complete this form.

1 Total pages Schedule K:

2 FILER NAME

3 ACCOUNT # (Ethics Commission Filers)

4 Date

5 Name of person from whom amount is received

8 Amount (\$)

6 Address of person from whom amount is received; City; State; Zip Code

7 Purpose for which amount is received

Date

Name of person from whom amount is received

Amount (\$)

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

Date

Name of person from whom amount is received

Amount (\$)

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

Date

Name of person from whom amount is received

Amount (\$)

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# IN-KIND CONTRIBUTION OR POLITICAL EXPENDITURE FOR TRAVEL OUTSIDE OF TEXAS

## SCHEDULE T

<b>The Instruction Guide explains how to complete this form.</b>		<b>1</b> Total pages Schedule T:
<b>2</b> FILER NAME		<b>3</b> ACCOUNT # (Ethics Commission Filers)
<b>4</b> Name of Contributor / Corporation or Labor Organization / Pledgor / Payee		
<b>5</b> Contribution / Expenditure reported on:		
<input type="checkbox"/> Schedule A <input type="checkbox"/> Schedule B <input type="checkbox"/> Schedule C <input type="checkbox"/> Schedule D <input type="checkbox"/> Schedule F <input type="checkbox"/> Schedule G <input type="checkbox"/> Schedule H <input type="checkbox"/> Schedule N <input type="checkbox"/> COH-UC <input type="checkbox"/> COH-T <input type="checkbox"/> PAC-C <input type="checkbox"/> PAC-E		
<b>6</b> Dates of travel	<b>7</b> Name of person(s) traveling	
	<b>8</b> Departure city or name of departure location	
	<b>9</b> Destination city or name of destination location	
<b>10</b> Means of transportation	<b>11</b> Purpose of travel (including name of conference, seminar, or other event)	
Name of Contributor / Corporation or Labor Organization / Pledgor / Payee		
Contribution / Expenditure reported on:		
<input type="checkbox"/> Schedule A <input type="checkbox"/> Schedule B <input type="checkbox"/> Schedule C <input type="checkbox"/> Schedule D <input type="checkbox"/> Schedule F <input type="checkbox"/> Schedule G <input type="checkbox"/> Schedule H <input type="checkbox"/> Schedule N <input type="checkbox"/> COH-UC <input type="checkbox"/> COH-T <input type="checkbox"/> PAC-C <input type="checkbox"/> PAC-E		
<b>Dates of travel</b>	<b>Name of person(s) traveling</b>	
	<b>Departure city or name of departure location</b>	
	<b>Destination city or name of destination location</b>	
<b>Means of transportation</b>	<b>Purpose of travel (including name of conference, seminar, or other event)</b>	
Name of Contributor / Corporation or Labor Organization / Pledgor / Payee		
Contribution / Expenditure reported on:		
<input type="checkbox"/> Schedule A <input type="checkbox"/> Schedule B <input type="checkbox"/> Schedule C <input type="checkbox"/> Schedule D <input type="checkbox"/> Schedule F <input type="checkbox"/> Schedule G <input type="checkbox"/> Schedule H <input type="checkbox"/> Schedule N <input type="checkbox"/> COH-UC <input type="checkbox"/> COH-T <input type="checkbox"/> PAC-C <input type="checkbox"/> PAC-E		
<b>Dates of travel</b>	<b>Name of person(s) traveling</b>	
	<b>Departure city or name of departure location</b>	
	<b>Destination city or name of destination location</b>	
<b>Means of transportation</b>	<b>Purpose of travel (including name of conference, seminar, or other event)</b>	

**ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED**

# CANDIDATE / OFFICEHOLDER REPORT: DESIGNATION OF FINAL REPORT

## FORM C/OH - FR

The Instruction Guide explains how to complete this form.  
•• Complete only if "Report Type" on page 1 is marked "Final Report" ••

1 C/OH NAME

2 ACCOUNT # (Ethics Commission Filers)

### 3 SIGNATURE

I do not expect any further political contributions or political expenditures in connection with my candidacy. I understand that designating a report as a final report terminates my campaign treasurer appointment. I also understand that I may not accept any campaign contributions or make any campaign expenditures without a campaign treasurer appointment on file.

\_\_\_\_\_  
Signature of Candidate / Officeholder

### 4 FILER WHO IS NOT AN OFFICEHOLDER

•• Complete A & B below *only* if you are not an officeholder. ••

#### A. CAMPAIGN FUNDS

Check only one:

I do not have unexpended contributions or unexpended interest or income earned from political contributions.

I have unexpended contributions or unexpended interest or income earned from political contributions. I understand that I may not convert unexpended political contributions or unexpended interest or income earned on political contributions to personal use. I also understand that I must file an annual report of unexpended contributions and that I may not retain unexpended contributions or unexpended interest or income earned on political contributions longer than six years after filing this final report. Further, I understand that I must dispose of unexpended political contributions and unexpended interest or income earned on political contributions in accordance with the requirements of Election Code, § 254.204.

#### B. ASSETS

Check only one:

I do not retain assets purchased with political contributions or interest or other income from political contributions.

I do retain assets purchased with political contributions or interest or other income from political contributions. I understand that I may not convert assets purchased with political contributions or interest or other income from political contributions to personal use. I also understand that I must dispose of assets purchased with political contributions in accordance with the requirements of Election Code, § 254.204.

\_\_\_\_\_  
Signature of Candidate

### 5 OFFICEHOLDER

•• Complete this section *only* if you are an officeholder ••

I am aware that I remain subject to filing requirements applicable to an officeholder who does not have a campaign treasurer on file. I am also aware that I will be required to file reports of unexpended contributions if, after filing the last required report as an officeholder, I retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions.

\_\_\_\_\_  
Signature of Officeholder



# TEXAS ETHICS COMMISSION

## CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT

### FORM C/OH – INSTRUCTION GUIDE



**Revised April 19, 2013**

**Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711  
(512) 463-5800      FAX (512) 463-5777      TDD 1-800-735-2989**

**Visit us at <http://www.ethics.state.tx.us> on the Internet.**

**AN EQUAL OPPORTUNITY EMPLOYER**

The Texas Ethics Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

# FORM C/OH – INSTRUCTION GUIDE

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*These instructions are for the CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT (Form C/OH) and all schedules that are filed with it. FORM C/OH includes a two-sided cover sheet and Schedules A, B, E, F, G, H, I, K, and T. All filers must submit the cover sheet, but only the schedules on which there is information to report need to be included.*

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## GENERAL INSTRUCTIONS

*These general instructions apply to all forms required to be filed under title 15, Texas Election Code.*

### ELECTRONIC FILING

All persons filing campaign finance reports with the Texas Ethics Commission are required to file those reports electronically unless the person is eligible to claim an exemption. Please check the Ethics Commission's website at <http://www.ethics.state.tx.us> for information about exemptions from the electronic filing requirement.

### FILLING OUT THE FORMS

All reports filed on paper must be either handwritten in ink or typewritten. If you complete the report by hand, please print everything other than your signature.

If you are filing with the Ethics Commission, you may use your own computer-generated form if it provides for disclosure of all the information required on the commission's form and if it is *substantially identical* in paper size, color, layout, and format. A substitute form that is substantially identical to the commission's prescribed form may be submitted for pre-approval by the commission's executive director.

Always file the cover sheet of the campaign finance report form. You need to file only those schedules on which you have information to report.

You must keep an exact copy of each report filed and all records necessary to complete the report for at least two (2) years after the deadline for filing the report.

If you have questions, please call our office at (512) 463-5800.

### ETHICS COMMISSION GUIDES

The Ethics Commission publishes a campaign finance guide for each type of filer. These guides are designed to explain your responsibilities as a filer. The commission encourages you to read the appropriate guide before you begin accepting political contributions or making or authorizing political expenditures.

### PHOTOCOPIES OF FORMS

You may use photocopies of Ethics Commission forms. For example, if the space provided on Schedule A is insufficient, you may make copies of a blank Schedule A form and attach more pages as needed.

### FILING DATE

For most reporting deadlines, a document is considered timely filed if it is properly addressed with postage or handling charges prepaid and bears a postmark or receipt mark of a common or contract carrier indicating a time on or before the deadline.

**Pre-Election Reports.** A report due 30 days before an election and a report due 8 days before an election must be *received* by the appropriate filing authority no later than the report due date.

If you are filing with the Ethics Commission, please address your reports and correspondence to the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711-2070. For hand-deliveries, the commission's street address is 201 East 14th Street, Sam Houston Building, 10th Floor, Austin, Texas 78701.

If the due date for a report falls on a Saturday, Sunday, or legal holiday, the report is due on the next regular business day.

## **FORM C/OH: CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT**

*These instructions are for the CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT (Form C/OH). A complete report includes the Form C/OH cover sheet, and any of the following schedules on which there is information to report: A, B, E, F, G, H, I, K, and T.*

*NOTE: Judicial candidates and officeholders must use a different form, Form JC/OH.*

### **GENERAL INFORMATION**

Use Form C/OH for filing the following reports:

- Semiannual reports (January 15 and July 15)
- Pre-election reports (30th day before election, 8th day before election)
- Runoff report (8th day before runoff election)
- Exceeded \$500 limit report
- 15th day after officeholder campaign treasurer appointment
- Final report

See the instructions for Sections 9 and 10 of the cover sheet for help in deciding which reports you are required to file.

### **OFFICEHOLDER ACTIVITY**

An officeholder may make officeholder expenditures and accept officeholder contributions without having a campaign treasurer appointment on file. However, an officeholder must have a campaign treasurer appointment on file before the officeholder may make campaign expenditures or accept campaign contributions.

### **DUTIES OF CANDIDATE OR OFFICEHOLDER**

As a candidate or officeholder, you alone, not the campaign treasurer, are responsible for filing this form. Failing to file a report on time or filing an incomplete report may subject you to criminal or civil penalties.

### **DUTIES OF CAMPAIGN TREASURER**

State law does not impose any reporting or record-keeping obligations on a candidate's campaign treasurer.

### **WHERE TO FILE**

This form is filed with the same filing authority with whom you were required to file your Campaign Treasurer Appointment (Form CTA). If you are an officeholder who does not have a campaign treasurer appointment on file, file your reports with the same authority with which a candidate for your office must file the campaign treasurer appointment.

## FILING A FINAL REPORT

For filing purposes, you are a “candidate” as long as you have an appointment of campaign treasurer on file. If you do not expect to accept any further campaign contributions or to make any further campaign expenditures, you may file a final report of contributions and expenditures. A final report terminates your appointment of campaign treasurer and relieves you of the obligation of filing further reports *as a candidate*. If you are an officeholder at the time of filing a final report, you will be required to file semiannual reports of contributions and expenditures as an officeholder. The only officeholders who are not required to file semiannual reports are officeholders who file locally, who do not have a campaign treasurer appointment on file, *and* who do not exceed \$500 in contributions or expenditures during the reporting period.

If you are not an officeholder at the time of filing a final report *and* if you have surplus funds or retain assets purchased with political funds, you will be required to file annual reports. (*See instructions for Form C/OH-UC.*)

To file a final report, you must complete the “C/OH CAMPAIGN FINANCE REPORT” (Form C/OH), check the “final” box in Section 9 on the cover sheet, and complete and attach the “C/OH REPORT: DESIGNATION OF FINAL REPORT” (Form C/OH- FR).

## COMPLETING THE COVER SHEET

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

### PAGE 1

- 1. ACCOUNT #:** If you are filing with the Ethics Commission, you were assigned a filer account number when you filed your initial campaign treasurer appointment. You should have received a letter acknowledging receipt of the form and informing you of your account number. Enter this number wherever you see “ACCOUNT #.” If you do not file with the Ethics Commission, you are not required to enter an account number.
- 2. TOTAL PAGES FILED:** After you have completed the form, count the total number of pages of this form and any attached schedules. Enter that number where indicated on the top line of page 1 only. Each side of a two-sided form counts as one page.
- 3. CANDIDATE/OFFICEHOLDER NAME:** Enter your full name, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.
- 4. CANDIDATE/OFFICEHOLDER MAILING ADDRESS:** Enter your complete mailing address. If your mailing address has changed since you last gave notice of your address, check the “Address Change” box.

*Sections 5 - 7 pertain to a candidate’s campaign treasurer. If you are an officeholder who does not have a campaign treasurer appointment on file, skip these sections.*

- 5. CANDIDATE/OFFICEHOLDER PHONE:** Enter your phone number including the area code, and your extension, if applicable.

6. **CAMPAIGN TREASURER NAME:** Enter the full name of your campaign treasurer, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.
7. **CAMPAIGN TREASURER ADDRESS:** Enter the complete address of your campaign treasurer.
8. **CAMPAIGN TREASURER PHONE:** Enter the phone number of your campaign treasurer including the area code, and the extension, if applicable.
9. **REPORT TYPE:** Check the box that describes the type of report you are filing, according to the descriptions below. See the instructions for Section 10 for the periods covered by each type of report.

**January 15 Report:** All candidates and most officeholders must file a semiannual report by January 15. The only officeholders who are not required to file this report are officeholders who file locally, who do not have a campaign treasurer appointment on file, and who do not exceed \$500 in contributions or expenditures during the reporting period.

**July 15 Report:** All candidates and most officeholders must file a semiannual report by July 15. The only officeholders who are not required to file this report are officeholders who file locally, who do not have a campaign treasurer appointment on file, and who do not exceed \$500 in contributions or expenditures during the reporting period.

**30th Day Before Election Report:** Opposed candidates who are not filing under the modified reporting schedule must file this pre-election report. The report is due no later than 30 days before the election and must be *received* by the appropriate filing authority no later than the report due date.

**8th Day Before Election Report:** Opposed candidates who are not filing under the modified reporting schedule must file this pre-election report. The report is due no later than 8 days before the election and must be *received* by the appropriate filing authority no later than the report due date.

**Runoff Report:** Candidates who are participating in a runoff election must file this report, which is due no later than 8 days before the runoff election and must be *received* by the appropriate filing authority no later than the report due date. This report is not required for candidates who are filing under the modified reporting schedule.

**Exceeded \$500 Limit Report:** Candidates who chose to file under the modified reporting schedule but then, after the 30th day before the election, exceeded \$500 in contributions or expenditures in connection with the election must file this report within 48 hours after exceeding the \$500 limit.

**15th Day After Campaign Treasurer Appointment Report:** An officeholder must file this report if he or she appoints a campaign treasurer after a period of not having a campaign treasurer appointment on file. This report is due no later than the 15th day after an officeholder files the appointment of campaign treasurer. It is not required of officeholders who are merely changing their campaign treasurers. Candidates who are not officeholders do not file this report. (This report is not required of an officeholder who

files locally if the officeholder did not exceed \$500 in either contributions or expenditures during the period to be covered by the report.)

**Final Report:** A person who has a campaign treasurer appointment on file files this report when he or she does not expect to accept any further campaign contributions or make or authorize any further campaign expenditures. This report must have a completed “C/OH REPORT: DESIGNATION OF FINAL REPORT” (Form C/OH-FR) attached.

**10. PERIOD COVERED:** A reporting period includes the beginning date and the ending date. The *due date* for filing will be *after* the end of the period. Generally, a report picks up where the last report left off. Special pre-election reports (formerly known as telegram reports) and special session reports do create overlaps.

**First Reports.** If this is the first report of contributions and expenditures that you have filed, the beginning date will depend on the date your campaign treasurer appointment was filed or the date you took office.

- If you are a candidate (a person who has filed a campaign treasurer appointment) and you are filing your first report, the beginning date will be the date your campaign treasurer appointment was filed.
- If you are an officeholder who was appointed to an elective office and who did not have a campaign treasurer appointment on file at the time of the appointment, the beginning date for your first report will be the date you took office.

**January 15 (Semiannual) Report:** The beginning date is July 1 of the previous year or the day after the last day covered by your last required report, whichever is later. If this is the first report you have filed, please see the “First Reports” section above. The ending date is December 31 of the previous year.

**July 15 (Semiannual) Report:** The beginning date is January 1 or the day after the last day covered by your last required report, whichever is later. If this is the first report you have filed, please see the “First Reports” section above. The ending date is June 30.

**30th Day Before Election Report:** The beginning date is the day after the last day covered by your last required report. If this is the first report you have filed, please see the “First Reports” section above. The ending date is the 40th day before the election. This report is not required for unopposed candidates or candidates who are filing under the modified reporting schedule.

**8th Day Before Election Report:** The beginning date is the 39th day before the election if you were required to file a 30th Day Before Election Report. If you were not required to file the 30th Day Before Election Report, the day after the last day covered by your last required report is the beginning date. If this is the first report you have filed, please see the “First Reports” section above. The ending date is the 10th day before the election. This report is not required for unopposed candidates or candidates who are filing under the modified reporting schedule.



**Runoff Report:** The beginning date is the 9th day before the main election if you filed an 8th Day Before Election Report. Otherwise, the beginning date is the day after the last day covered by your last required report or the day you appointed a campaign treasurer, whichever is later. The ending date is the 10th day before the runoff election. This report is not required for candidates who are filing under the modified reporting schedule.

**Exceeded \$500 Limit Report:** The beginning date for the report is either the day you appointed your campaign treasurer or the day after the last day covered by your last required report, whichever is later. The ending date is the day you exceeded the \$500 limit for contributions or expenditures.

**15th Day After Campaign Treasurer Appointment Report (officeholders only):** The beginning date is either the day after the last day covered by your last required report or the day you began serving an appointment to elective office. The ending date is the day before the campaign treasurer appointment was filed. This report is due no later than 15 days after the campaign treasurer appointment was filed.

**Final Report:** The beginning date is the day after the last day covered by your last required report. The ending date is the day the final report is filed.

*If you are an officeholder without a campaign treasurer appointment on file, or if you have a campaign treasurer appointment on file but you are not a candidate in an upcoming election, you may skip Section 11.*

- 11. ELECTION:** If you are a candidate in an upcoming election, provide the following information concerning the upcoming election in which you intend to participate.

**Election Date:** Enter the month, day, and year of the election in which you intend to participate that most immediately follows the deadline for this report.

**Election Type:** Check the box next to the type of election that most accurately describes the upcoming election.

Primary - An election held by a political party to select its nominees for office.

Runoff - An election held if no candidate for a particular office receives the vote necessary to be elected in an election requiring a majority vote.

General - An election, other than a primary election, that regularly occurs at fixed dates.

Special - An election that is neither a general election nor a primary election nor a runoff election.

- 12. OFFICE HELD:** If you are an officeholder, please enter the office you currently hold. Include the district, precinct, or other designation for the office, if applicable.
- 13. OFFICE SOUGHT:** If you are a candidate in an upcoming election, please enter the office you seek. Include the district, precinct, or other designation for the office, if applicable.

**PAGE 2**

- 14. C/OH (CANDIDATE/OFFICEHOLDER) NAME:** Enter your full name.
- 15. ACCOUNT #:** See the instructions for box number 1.
- 16. NOTICE FROM POLITICAL COMMITTEE(S):** Complete this section if you have received notice from a political committee that it accepted political contributions or made political expenditures on your behalf during the period. If you have not received such notice, you may skip this section.

The political committee is required to include in the notice the full name and address of the committee, the full name and address of the committee’s campaign treasurer, and a statement indicating whether the committee is a general-purpose committee or a specific-purpose committee. If the notice also describes the expenditure, do not include the description in this section.

**“Additional Pages” Box:** If you received notice from more than one committee, check this box and attach an additional page listing the names and addresses of the other committees and of their campaign treasurers.

**Committee Type:**

General - Check the “GENERAL” box if the notice is from a general-purpose committee.

Specific - Check the “SPECIFIC” box if the notice is from a specific-purpose committee.

**Committee Name:** Enter the full name of the committee as reported in the notice.

**Committee Address:** Enter the address of the committee as reported in the notice.

**Committee Campaign Treasurer Name:** Enter the name of the committee’s campaign treasurer as reported in the notice.

**Committee Campaign Treasurer Address:** Enter the address of the committee’s campaign treasurer as reported in the notice.

- 17. TOTALS:** Complete this section only after you have completed all applicable schedules.

**Line 1.** Enter the total of all unitemized contributions (other than pledges or loans or guarantees of loans) of \$50 or less. Do not include any contributions itemized on Schedule A. Enter a “0” if you did not receive any unitemized contributions during the period covered.

On Schedule A, you were required to itemize political contributions that totaled more than \$50 from one person. (Remember: If you received contributions *totaling* more than \$50 from one person during the reporting period, you were required to itemize all of those contributions, even if individual contributions were \$50 or less.) You also had the option

of itemizing contributions of \$50 or less from one person. Do not include any itemized contributions in the total entered on line 1, regardless of amount.

**Line 2.** Add the total contributions listed on Schedule A to the amount you entered on Line 1. Enter that total on Line 2. Enter a “0” if you did not receive any contributions during the period covered.

**Line 3.** Enter the total of all unitemized political expenditures of \$100 or less. Do not include any expenditures itemized on Schedules F, G, or H. Enter a “0” if you did not make any unitemized expenditures during the period covered.

On Schedule F, you were required to itemize political expenditures that totaled more than \$100 to one payee. (Remember: If you made expenditures *totaling* more than \$100 to one person during the reporting period, you were required to itemize all of those expenditures, even if individual expenditures were \$100 or less.) You also had the option of itemizing expenditures totaling \$100 or less to one payee. Do not include any expenditures itemized on Schedule F in the total entered on line 3, regardless of amount.

On Schedule G, you were required to itemize political expenditures from personal funds if you intend to seek reimbursement from political contributions. Do not include any expenditures itemized on Schedule G in the total entered on line 3, regardless of amount.

On Schedule H, you were required to itemize payments from political contributions made to certain businesses. Do not include any expenditures itemized on Schedule H in the total entered on line 3, regardless of amount.

**Line 4.** Add the following:

- (a) the total expenditures listed on Schedule F;
- (b) the total expenditures listed on Schedule G;
- (c) the total expenditures listed on Schedule H; and
- (d) the amount you entered on Line 3.

Enter that total on Line 4.

Enter a “0” if you did not make any expenditures during the period covered.

**Line 5.** Enter the total amount of political contributions, including interest or other income on those contributions, maintained as of the last day of the reporting period. Enter “0” if you do not maintain political contributions, including interest or other income on those contributions, as of the last day of the reporting period. This is different from the total contributions reported on Line 2. Only contributions accepted during the period covered by the report are entered on Line 2.

The law requires you to disclose the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. The “total amount of political contributions maintained” includes: the total amount

of political contributions maintained in one or more accounts, including the balance on deposit in banks, savings and loan institutions and other depository institutions and the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc.

The total amount of political contributions maintained does NOT include personal funds that the filer intends to use for political expenditures, *unless* the personal funds have been disclosed as a loan to your campaign and deposited into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

**Line 6.** Enter the aggregate outstanding principal amount of all loans accepted for campaign or officeholder purposes as of the last day of the reporting period. This is different from the information reported on Schedule E. It must include outstanding principal of loans made in this reporting period as well as outstanding principal of loans made previously. Enter a “0” if you did not accept any loans during the period covered and have no outstanding loans.

- 18. AFFIDAVIT:** Complete this section only after you have completed all applicable sections and schedules. You must always sign a report that you file. You must complete this section even if you have no schedules to attach. *Only the candidate or officeholder filing the report may sign the affidavit.*

## SCHEDULE A: POLITICAL CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS

*These instructions are for candidates and officeholders using SCHEDULE A: POLITICAL CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS. Enter on this schedule only information about campaign and officeholder contributions accepted during the reporting period. You are not required to include contributions of an individual's personal services or travel. Do not enter on this schedule information on pledges, loans, or guarantees of loans. (Report pledges on Schedule B; report loans and guarantees of loans on Schedule E.)*

You must enter contributions that exceed \$50 from one person during a reporting period on this schedule. If you accepted two or more contributions from the same person, the total of which exceeds \$50, enter each contribution separately. Although you are not required to do so, you may also report contributions from one person that do not exceed \$50 in the period on this schedule. If you do not itemize contributions of \$50 and less on this schedule, you must total all such contributions and report them on the C/OH Cover Sheet, Page 2, Section 18, Line 1.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE A:** After you have completed Schedule A, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. DATE:** Enter the date you **accepted** the contribution.

*Accepting* a contribution is different from *receiving* a contribution. You accept a contribution when you decide to accept it rather than reject it. This may or may not be the same day that you receive the contribution.

- 5. FULL NAME OF CONTRIBUTOR:** Enter the full name of the contributor.

**“Out-of-State PAC” box:** If the contributor is an out-of-state political committee, check the box. If the contributor is an out-of-state political committee from which you accepted more than \$500 in the reporting period (including pledges or loans from sources other than financial institutions that have been in business for more than a year), you must include one of the following with your report:

- a written statement, certified by an officer of the out-of-state political committee, listing the full name and address of each person who contributed more than \$100 to the out-of-state political committee during the 12 months immediately preceding the contribution. If you are filing your report electronically, you may either use the “memo” field to enter this information on your electronic report or timely file a paper copy of the information at the time you file your electronic report; *or*

- a copy of the out-of-state political committee’s statement of organization filed as required by law with the Federal Election Commission (FEC) and certified by an officer of the out-of-state committee. If you are filing your report electronically, you may either use the “ID #” field to enter the out-of-state committee’s FEC identification number on your electronic report or timely file a certified paper copy of the out-of-state committee’s FEC statement of organization at the time you file your electronic report.

If the contributor is an out-of-state political committee from which you accepted \$500 or less (including pledges) during the reporting period, you must include one of the following with your report:

- a copy of the out-of-state political committee’s statement of organization filed as required by law with the Federal Election Commission (FEC) and certified by an officer of the out-of-state committee. If you are filing your report electronically, you may either use the “ID #” field to enter the out-of-state committee’s FEC identification number on your electronic report or timely file a certified paper copy of the out-of-state committee’s FEC statement of organization at the time you file your electronic report; *or*
- a document listing the committee’s name, address and phone number; the name of the person appointing the committee’s campaign treasurer; and the name, address and phone number of the committee’s campaign treasurer. If you are filing your report electronically, you may either use the “memo” field to enter this information on your electronic report or timely file a paper copy of the information at the time you file your electronic report.

**“ID #” Line (Electronic Filing Only):** If you are filing your report electronically, you may enter in this field the out-of-state committee’s Federal Election Commission (FEC) identification number.

**Note:** See the campaign finance guide for detailed information on accepting and reporting contributions from out-of-state political committees.

- 6. CONTRIBUTOR ADDRESS:** Enter the complete address of the contributor.
- 7. AMOUNT OF CONTRIBUTION:** Enter the amount of the contribution or the fair market value of an in-kind contribution, as applicable.
- 8. IN-KIND CONTRIBUTION DESCRIPTION:** Enter a description of the contribution, if it was an in-kind contribution. The description should be sufficiently detailed to allow a person reviewing your report to understand what was contributed.

**In-kind Contribution For Out-of-State Travel:** The description of an in-kind contribution for travel outside of the state of Texas must include detailed information. Please report this information on Schedule T.

- 9. PRINCIPAL OCCUPATION OR JOB TITLE:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the principal occupation or job title of an individual from whom the candidate or officeholder has accepted contributions (including pledges) of \$500 or more during the reporting period. In other circumstances, filers are not required to report this information but may do so.
- 10. EMPLOYER:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the employer of an individual from whom the candidate or officeholder has accepted contributions (including pledges) of \$500 or more during the reporting period. In other circumstances, filers are not required to report this information but may do so.

## SCHEDULE B: PLEDGED CONTRIBUTIONS

*These instructions are for candidates and officeholders using SCHEDULE B: PLEDGED CONTRIBUTIONS. Enter on this schedule only information about pledges accepted during the reporting period for campaign or officeholder purposes. You are not required to include pledges of an individual's personal services or travel. Do not enter on this schedule information on contributions actually received, loans, or guarantees of loans. (Report contributions actually received on Schedule A; report loans and guarantees of loans on Schedule E.)*

If you *accept* a *pledge* from a person to give you money, goods, services, or anything of value, that pledge is a reportable contribution and you must include the pledge on this schedule for the report covering the period in which you *accept* the pledge.

**Note:** See the campaign finance guide for more information on pledges.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE B:** After you have completed Schedule B, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. TOTAL OF UNITEMIZED PLEDGES:** Enter the total amount of pledges that you accepted during the period that did not exceed \$50 in the aggregate per person. Although you are not required to do so, you may also itemize pledges of \$50 or less on this schedule. If you itemize some pledges of \$50 or less, do not include those pledges in the total entered here. If you choose to itemize all pledges of \$50 or less, do not enter a total amount here.

*Sections 5 - 11 pertain to itemized pledges. You must itemize pledges that exceed \$50 in the aggregate from one person during the reporting period. If you received pledges totaling more than \$50 from one person during the reporting period, you must itemize all of those pledges, even if individual pledges were for \$50 or less. Although you are not required to do so, you may also itemize pledges for \$50 or less from one person.*

- 5. DATE:** Enter the date you **accepted** the pledge.
- 6. FULL NAME OF PLEDGOR:** Enter the full name of the person who made the pledge.

**“Out-of-State PAC” box:** See instructions for Schedule A, box 5.

- 7. PLEDGOR ADDRESS:** Enter the complete address of the person who made the pledge.
- 8. AMOUNT OF PLEDGE:** Enter the amount of the pledge or the fair market value of any pledged goods or services or other thing of value, as applicable.



- 9. IN-KIND DESCRIPTION:** If the pledge was for goods or services or any other thing of value, enter a description of the pledged goods or services or other thing of value. The description should be sufficiently detailed to allow a person reviewing your report to understand what was pledged.

**In-kind Contribution For Out-of-State Travel:** The description of an in-kind contribution for travel outside of the state of Texas must include detailed information. Please report this information on Schedule T.

- 10. PRINCIPAL OCCUPATION OR JOB TITLE:** See the instructions for Schedule A, box 9.

- 11. EMPLOYER:** See the instructions for Schedule A, box 10.

*You Do Not Need Schedules C And D. These schedules are for political committees to report contributions from corporations and labor organizations. Candidates and officeholders are generally prohibited from accepting such contributions.*

## SCHEDULE E: LOANS

*These instructions are for candidates and officeholders using SCHEDULE E: LOANS. Enter on this schedule only information about loans, and guarantees of loans, accepted during the reporting period for campaign or officeholder purposes.*

You must itemize loans that exceed \$50 that you accepted during the period from one person. If you accepted two or more loans from the same person, the total of which exceeds \$50, itemize each loan separately. Although you are not required to do so, you may also itemize loans that do not exceed \$50.

**Note:** A candidate or officeholder may report political expenditures from personal funds as a loan and may reimburse his or her personal funds from political contributions. Political expenditures made from that loan must also be reported on the “Political Expenditures” schedule (Schedule F). If a candidate or officeholder chooses not to report political expenditures from personal funds as a loan, he or she must report such expenditures on Schedule G.

If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan on Schedule E. Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported on Schedule F. The reimbursement may not exceed the amount reported as a loan. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE E:** After you have completed Schedule E, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. TOTAL OF UNITEMIZED LOANS:** Enter the total amount of loans accepted during the reporting period that did not exceed \$50 in the aggregate per person and were not from financial institutions.

Although you are not required to do so, you may itemize loans of \$50 or less from persons other than financial institutions on this schedule. If you itemize some loans of \$50 or less, do not include those loans in the total you enter here. If you choose to itemize all loans of \$50 or less, do not enter a total amount here.

*Complete Sections 5 - 18 for each loan you are itemizing.*

- 5. DATE OF LOAN:** Enter the date you accepted the loan.

**6. IS LENDER A FINANCIAL INSTITUTION?:** If you accepted the loan from a corporation that has been legally engaged in the business of making loans for more than one year, circle “Y” for yes. If you accepted the loan from any other source, circle “N” for no. Remember that a loan from a corporation is an illegal corporate contribution unless it is from a corporation that is a financial institution that has been legally engaged in the business of making loans for more than one year.

**7. NAME OF LENDER:** Enter the full name of the person or financial institution that made the loan.

**“Out-of-State PAC” box.** See instructions for Schedule A, box 5.

**Note:** See the campaign finance guide for detailed information on accepting and reporting contributions from out-of-state political committees.

**8. LENDER ADDRESS:** Enter the complete address of the person or financial institution that made the loan.

**9. LOAN AMOUNT:** Enter the principal amount of the loan.

**10. INTEREST RATE:** Enter the interest rate.

**11. MATURITY DATE:** Enter the maturity date.

**12. PRINCIPAL OCCUPATION OR JOB TITLE:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the principal occupation or job title of each individual from whom the candidate or officeholder has accepted a loan (including a pledge of a loan) of \$500 or more during the reporting period. This requirement applies to loans from individuals that are accepted on or after January 1, 2004.

Other types of filers are not required to report this information but may do so.

**13. EMPLOYER:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the full name of the employer of an individual from whom the candidate or officeholder has accepted a loan (including a pledge of a loan) of \$500 or more during the reporting period. This requirement applies to loans from individuals that are accepted on or after January 1, 2004.

Other types of filers are not required to report this information but may do so.

**14. DESCRIPTION OF COLLATERAL:** If there is no collateral for the loan, check the “none” box and go to # 13. If there is collateral for the loan, enter a description of the collateral for the loan.

- 15. “Check if personal funds were deposited into political account” Box:** Check this box *only if* the loan is a deposit of your personal funds into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. (Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported on Schedule F. The reimbursement may not exceed the amount reported as a loan. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.)
- 16. GUARANTOR INFORMATION:** If there are no guarantors for the loan, check the “Not Applicable” box and go to the next loan. If you have no further loans to report, go to the next applicable schedule.
- Note:** A person who guarantees all or part of a loan makes a reportable contribution in the amount of the guarantee. You must report such a contribution on this schedule, and not on Schedule A.
- 17. NAME OF GUARANTOR:** Enter the full name of the guarantor.
- 18. GUARANTOR ADDRESS:** Enter the complete address of the guarantor.
- 19. AMOUNT GUARANTEED:** Enter the dollar amount of the loan that the guarantor has agreed to guarantee.
- 20. PRINCIPAL OCCUPATION:** Enter the principal occupation of the guarantor.
- 21. EMPLOYER:** Enter the employer of the guarantor.

## SCHEDULE F: POLITICAL EXPENDITURES

*These instructions are for candidates and officeholders using SCHEDULE F: POLITICAL EXPENDITURES. Enter on this schedule only information about political expenditures that were made or authorized during the reporting period. Do not enter on this schedule political expenditures made from personal funds. (Report such expenditures on Schedule G.) Do not enter on this schedule payments from political contributions made to a business that you own or control. (Report those payments on Schedule H.)*

See the campaign finance guide for important restrictions regarding the use of political funds to rent or purchase real property.

You must enter expenditures paid to one individual or entity during a reporting period that in the aggregate exceed \$100 on this schedule. If you made more than one expenditure to the same payee, the total of which exceeded \$100, enter each expenditure separately. Although you are not required to do so, you may also report expenditures to one person that do not exceed \$100 in the period on this schedule. If you choose not to itemize expenditures of \$100 and less on this schedule, you must total all unitemized expenditures and report them on the C/OH Cover Sheet, Page 2, Section 18, Line 3.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE F:** After you have completed Schedule F, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. DATE:** Enter the date the expenditure was made. The date of an expenditure is not necessarily the date goods or services are received. It is the date on which the obligation to make a payment is incurred, as long as the amount of the payment is “readily determinable.” Generally, the amount of an expenditure is known (and therefore readily determinable) when the obligation is incurred, but in some cases the amount is not known until the receipt of a bill. An amount is readily determinable if the vendor can provide the amount at the filer’s request.

Example: On June 29<sup>th</sup>, a filer orders political signs. On July 16<sup>th</sup>, the filer receives the invoice for the signs. The date of the expenditure is June 29<sup>th</sup> if on that date the vendor can provide the amount the filer will owe the vendor for the signs. Filers should request a vendor to provide the amount of an obligation at the time the obligation is incurred.

Example: Filers will generally not know the cost of a long-distance telephone call until receipt of a monthly (periodic) bill. In that case, the date of the expenditure for the telephone call would be the date the bill was received.

**Credit card expenditures.** There is a special reporting rule for expenditures made by credit card. For reports due 30 days and 8 days before an election, the date of a credit card expenditure is the date the charge is made. For other reports, the date of a credit card expenditure is the date the credit card statement is received or the date the charge is made. In other words, it is always permissible to report the “date the charge is made” as the date of the expenditure.

5. **PAYEE NAME:** Enter the full name of the person to whom the expenditure was made.

**Note:** If the expenditure was made by credit card, enter the name of the vendor who sold you the goods or services, not the name of the credit card issuer.

**Note:** If you make an expenditure for goods or services to benefit another candidate, officeholder, or committee, enter the name of the vendor who sold you the goods or services. Do not enter the name of the person for whose benefit you made the expenditure. Include that information under Section 8, “Purpose of Expenditure.”

6. **AMOUNT:** Enter the exact amount of the expenditure.

7. **PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.

8. **PURPOSE OF EXPENDITURE:** If your expenditure was to purchase or lease goods or services, enter a description of the goods or services so that a person reviewing your report would know what goods or services were purchased or leased. If your expenditure was a contribution to another candidate or officeholder, or to a committee, enter “political contribution” and identify the recipient. For expenditures made on or after July 1, 2010, you must disclose the purpose of the expenditure in two parts:

- (a) **Category:** Select a category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

Advertising Expense

Accounting/Banking

Consulting Expense

Contributions/Donations Made By Candidate/Officeholder/Political Committee

Event Expense

Fees

Food/Beverage Expense

Gifts/Awards/Memorials Expense

Legal Services

Loan Repayment/Reimbursement

Office Overhead/Rental Expense

Polling Expense  
Printing Expense  
Salaries/Wages/Contract Labor  
Solicitation/Fundraising Expense  
Transportation Equipment and Related Expense  
Travel In District  
Travel Out Of District  
Other (Enter your own category, if none of the listed categories apply.)

- (b) **Description:** Enter a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

**Description of Expenditure For Out-of-State Travel:** The description of a political expenditure for travel outside of the state of Texas must include detailed information. Please report this information on Schedule T.

For examples of acceptable ways to disclose the purpose of an expenditure, including both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure, please see the "Examples of Expenditures" on page 34.

- 9. DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** If you made a direct campaign expenditure to benefit another candidate or officeholder, enter the full name of the candidate or officeholder and the name of the office sought or held, including the district, precinct, or other designation of the office, as applicable. (Attach additional sheets to list multiple candidates.) Do not complete this section if the expenditure was not a direct campaign expenditure.

A “direct campaign expenditure” to benefit another candidate is not a “political contribution” to that other candidate. A direct campaign expenditure is a campaign expenditure that you make on someone else’s behalf and without the prior consent or approval of that person. This is in contrast to a political contribution, which the person has the opportunity to accept or reject.

**Example:** If you made expenditures to prepare and distribute an endorsement letter in support of a candidate after first asking for and getting the candidate’s approval, you made an *in-kind contribution*. However, if you did not get the candidate’s approval *before* you made the expenditure, you made a *direct campaign expenditure*.

## SCHEDULE G: POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS

*These instructions are for candidates and officeholders using SCHEDULE G: POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS. Enter on this schedule only information about political expenditures from personal funds that were made or authorized during the reporting period.*

See the campaign finance guide for important restrictions regarding the use of political funds to rent or purchase real property.

If you intend to seek reimbursement *in any amount* from political contributions for a political expenditure made from personal funds, you must either report the expenditure as a loan to yourself on Schedule E or itemize the expenditure on this schedule and check the box in Section 6 to indicate that you intend to seek reimbursement from political contributions. ***You may not correct a report to allow reimbursement.*** If you deposit personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, you must report the deposited amount as a loan on Schedule E. See the Schedule E instructions for additional information.

If you choose to report political expenditures from personal funds on this schedule, make sure you read the following:

Even if you do not intend to seek reimbursement from political contributions for a political expenditure made out of personal funds, you must nonetheless itemize the political expenditure on this schedule if the expenditure exceeds \$100 or if the expenditure along with other expenditures to the same person exceeds \$100. (Exception: You are not required to report *officeholder* expenditures from personal funds if you do not intend to seek reimbursement from political contributions.) Although you are not required to do so, you may also report political expenditures from personal funds totaling \$100 or less to a single person on this schedule, even if you do not intend to seek reimbursement. You must total all political expenditures from personal funds that you do not itemize on this schedule (except for officeholder expenditures for which you do not intend to seek reimbursement from political funds) and include them in the total of unitemized expenditures reported on the C/OH Cover Sheet.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1 TOTAL PAGES SCHEDULE G:** After you have completed Schedule G, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. DATE:** Enter the date the expenditure was made. See the instructions for Schedule F, box 4.



**5. PAYEE NAME:** Enter the full name of the person to whom the expenditure was made.

**Note:** If the expenditure was made by credit card, enter the name of the vendor who sold you the goods or services, not the name of the credit card issuer.

**Note:** If you make an expenditure for goods or services to benefit another candidate, officeholder, or committee, enter the name of vendor who sold you the goods or services. Do not enter the name of the person for whose benefit you made the expenditure. Include that information under Section 8, “Purpose of Expenditure.”

**6. AMOUNT:** Enter the exact amount of the expenditure.

**“Reimbursement From Political Contributions Intended” Box:** Check this box if you intend to reimburse yourself for the expenditure. (In order to be reimbursed from political contributions in any amount for an expenditure made out of personal funds, you must itemize the expenditure on this schedule and check this box or you must report the expenditure as a loan to yourself on Schedule E.)

**7. PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.

**8. PURPOSE OF EXPENDITURE:** If your expenditure was to purchase or lease goods or services, enter a description of the goods or services so that a person reviewing your report would know what goods or services were purchased or leased. For expenditures made on or after July 1, 2010, you must disclose the purpose of the expenditure in two parts:

**(a) Category:** Select a category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

- Advertising Expense
- Accounting/Banking
- Consulting Expense
- Contributions/Donations Made By Candidate/Officeholder/Political Committee
- Event Expense
- Fees
- Food/Beverage Expense
- Gifts/Awards/Memorials Expense
- Legal Services
- Loan Repayment/Reimbursement
- Office Overhead/Rental Expense
- Polling Expense
- Printing Expense
- Salaries/Wages/Contract Labor
- Solicitation/Fundraising Expense
- Transportation Equipment and Related Expense
- Travel In District

Travel Out Of District

Other (Enter your own category, if none of the listed categories apply.)

- (b) Description:** Enter a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

**Description of Expenditure For Out-of-State Travel:** The description of a political expenditure for travel outside of the state of Texas must include detailed information. Please report this information on Schedule T.

For examples of acceptable ways to disclose the purpose of an expenditure, including both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure, please see the "Examples of Expenditures" on page 34.

## **SCHEDULE H: PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH**

*These instructions are for candidates and officeholders using SCHEDULE H: PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH. Enter on this schedule only information about payments from political contributions that were made to a business in which you have an interest of more than 10%, a position on the governing body, or a position as an officer. Do not enter on this schedule other payments from political contributions authorized during the reporting period.*

See the campaign finance guide for a discussion on the important restrictions on making and reporting payments from political contributions to a business in which you have an interest.

This schedule is for payments to a business in which you have one or more of the following interests or positions:

- 1) a participating interest of more than 10%;
- 2) a position on the governing body of the business; or
- 3) a position as an officer of the business.

Report such payments on this schedule and not on Schedule F.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE H:** After you have completed Schedule H, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. DATE:** Enter the date you made or authorized the payment. See the instructions for Schedule F, box 4.
- 5. BUSINESS NAME:** Enter the full name of the business to which you made the payment.
- 6. AMOUNT:** Enter the dollar amount of the payment.
- 7. BUSINESS ADDRESS:** Enter the complete address of the business to which you made the payment.
- 8. PURPOSE OF EXPENDITURE:** If your payment was to purchase or lease goods or services, enter a description of the goods or services so that a person reviewing your report could know what goods or services were purchased or leased. For expenditures made on or after July 1, 2010, you must disclose the purpose of the expenditure in two parts:

- (a) **Category:** Select a category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

Advertising Expense  
Accounting/Banking  
Consulting Expense  
Contributions/Donations Made By Candidate/Officeholder/Political Committee  
Event Expense  
Fees  
Food/Beverage Expense  
Gifts/Awards/Memorials Expense  
Legal Services  
Loan Repayment/Reimbursement  
Office Overhead/Rental Expense  
Polling Expense  
Printing Expense  
Salaries/Wages/Contract Labor  
Solicitation/Fundraising Expense  
Transportation Equipment and Related Expense  
Travel In District  
Travel Out Of District  
Other (Enter your own category, if none of the listed categories apply.)

- (b) **Description:** Enter a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

**Description of Expenditure For Out-of-State Travel:** The description of a political expenditure for travel outside of the state of Texas must include detailed information. Please report this information on Schedule T.

For examples of acceptable ways to disclose the purpose of an expenditure, including both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure, please see the "Examples of Expenditures" on page 34.

- 9. DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** If the payment was a "direct campaign expenditure" to benefit another candidate or officeholder, enter the full name of the candidate or officeholder and the name of the office sought or held, including the district, precinct, or other designation of the office, as applicable. (Attach additional sheets to list multiple candidates.) Do not complete this section if the payment was not a direct campaign expenditure.

A “direct campaign expenditure” to benefit another candidate is not a “political contribution” to that other candidate. A direct campaign expenditure is a campaign expenditure that you make on someone else’s behalf and without the prior consent or approval of that person. This is in contrast to a political contribution, which the person has the opportunity to accept or reject.

**Example:** If you made expenditures to prepare and distribute an endorsement letter in support of a candidate after first asking for and getting the candidate’s approval, you made an *in-kind contribution*. However, if you did not get the candidate’s approval *before* you made the expenditure, you made a *direct campaign expenditure*.

## SCHEDULE I: NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS

*These instructions are for candidates and officeholders using SCHEDULE I: NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS. Enter on this schedule only information about non-political expenditures from political contributions made or authorized during the reporting period. Do not enter political expenditures on this schedule. (Report political expenditures on Schedule F. Report political expenditures made from personal funds on Schedule G.)*

You must enter all non-political expenditures from political contributions on this schedule, regardless of the amount. A non-political expenditure is an expenditure that is neither a campaign expenditure nor an officeholder expenditure. Expenditures for administrative expenses, banking fees, and professional dues are typically political expenditures. As a practical matter, *very few* expenditures made from political contributions are non-political expenditures. Remember that you may not convert political contributions to personal use.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

1. **TOTAL PAGES SCHEDULE I:** After you have completed Schedule I, count the total number of pages. A “page” is one side of a two-sided form.
2. **FILER NAME:** Enter your full name.
3. **ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
4. **DATE:** Enter the date the expenditure was made. See the instructions for Schedule F, box 4.
5. **PAYEE NAME:** Enter the full name of the person to whom the expenditure was made.
6. **AMOUNT:** Enter the exact amount of the expenditure.
7. **PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.
8. **PURPOSE OF EXPENDITURE:** Enter the nature of the goods or services or other thing of value for which the expenditure was made so that a person reviewing your report would know what goods or services or other thing of value were purchased or leased. For expenditures made on or after July 1, 2010, you must disclose the purpose of the expenditure in two parts:
  - (a) **Category:** Select a category of goods, services, or other thing of value for which an expenditure is made. Examples of possible categories of non-political expenditures are listed below. Remember, as a practical matter, *very few* expenditures made from political contributions are non-political expenditures.

Advertising Expense  
Accounting/Banking  
Consulting Expense  
Contributions/Donations Made By Candidate/Officeholder/Political Committee  
Event Expense  
Fees  
Food/Beverage Expense  
Gifts/Awards/Memorials Expense  
Legal Services  
Loan Repayment/Reimbursement  
Office Overhead/Rental Expense  
Polling Expense  
Printing Expense  
Salaries/Wages/Contract Labor  
Solicitation/Fundraising Expense  
Transportation Equipment and Related Expense  
Travel In District  
Travel Out Of District  
Other (Enter your own category, if none of the listed categories apply.)

- (b) **Description:** Enter a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

For examples of acceptable ways to disclose the purpose of an expenditure, including both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate or officeholder activity that is conducted by making the expenditure, please see the "Examples of Expenditures" on page 34.

***You Do Not Need Schedule J.** This schedule is for political committees to report contributions that were returned to the committee. Candidates and officeholders are required to report returned contributions and other types of gains from political contributions on Schedule K.*

## **SCHEDULE K: INTEREST EARNED, OTHER CREDITS/GAINS/REFUNDS, AND PURCHASE OF INVESTMENTS**

Use this schedule to report information regarding the following types of activity from political contributions that were received during the reporting period:

- any credit, interest, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of a political contribution or an asset purchased with a political contribution, the amount of which exceeds \$100;
- any proceeds of the sale of an asset purchased with a political contribution, the amount of which exceeds \$100;
- any other gain from a political contribution, the amount of which exceeds \$100; and
- any investment purchased with a political contribution, the amount of which exceeds \$100.

Although you are not required to do so, you may also report any credit/gain/refund, interest, or investment that does not exceed \$100 in the period on this schedule.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE K:** After you have completed Schedule K, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter your full name.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. DATE:** Enter the date the credit/gain/refund was received, the interest was earned, or the investment was purchased, as applicable.
- 5. NAME OF PERSON FROM WHOM AMOUNT IS RECEIVED:** Enter the full name of the person or business from whom the credit/gain/refund or interest was received. If you are reporting the purchase of an investment, enter the full name of the person or business from whom you purchased the investment.
- 6. ADDRESS OF PERSON FROM WHOM AMOUNT IS RECEIVED:** Enter the complete address of the person or business from whom the credit/gain/refund or interest was received. If you are reporting the purchase of an investment, enter the complete address of the person or business from whom you purchased the investment.
- 7. PURPOSE FOR WHICH AMOUNT IS RECEIVED:** Enter a brief statement or description of the purpose for which the amount was received (for example, “phone service deposit return” “returned contribution” or “interest on savings account”). If you are reporting the purchase of an investment, enter a brief statement or description of the investment (for example, “ten shares of stock in ABC Company”).
- 8. AMOUNT:** Enter the exact dollar amount of the credit/gain/refund, interest, or investment.



## **SCHEDULE T: IN-KIND CONTRIBUTION OR POLITICAL EXPENDITURE FOR TRAVEL OUTSIDE OF TEXAS**

*These instructions are for candidates, officeholders, committees, or political parties using SCHEDULE T: IN-KIND CONTRIBUTION OR POLITICAL EXPENDITURE FOR TRAVEL OUTSIDE OF TEXAS. Enter on this schedule only information about contributions accepted or expenditures made during the reporting period. In addition to completing this schedule, you must also report the actual contribution or expenditure on the appropriate schedule or form.*

**NOTE:** The law requires detailed information regarding in-kind contributions or political expenditures for travel outside of the state of Texas.

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

- 1. TOTAL PAGES SCHEDULE T:** After you have completed Schedule T, count the total number of pages. A “page” is one side of a two-sided form.
- 2. FILER NAME:** Enter the full name of the candidate, committee, or party on whose report you are including this schedule.
- 3. ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
- 4. NAME OF CONTRIBUTOR / CORPORATION OR LABOR ORGANIZATION / PLEDGOR / PAYEE:** Enter the full name of the contributor / corporation or labor organization / pledgor / payee as it appears on the schedule or form on which you reported the actual contribution or expenditure.
- 5. CONTRIBUTION / EXPENDITURE REPORTED ON:** Check the appropriate box for the schedule or form on which you reported the actual contribution or expenditure
- 6. DATES OF TRAVEL:** Enter the dates on which the travel occurred.
- 7. NAME OF PERSON(S) TRAVELING:** Enter the name of the person or persons traveling on whose behalf the travel was accepted or on whose behalf the expenditure was made.
- 8. DEPARTURE CITY OR NAME OF DEPARTURE LOCATION:** Enter the name of the departure city or the name of each departure location.
- 9. DESTINATION CITY OR NAME OF DESTINATION LOCATION:** Enter the name of the destination city or the name of each destination location.
- 10. MEANS OF TRANSPORTATION:** Enter the method of travel (i.e. airplane, bus, boat, car, etc.)
- 11. PURPOSE OF TRAVEL:** Enter the campaign or officeholder purpose of the travel, including the name of a conference, seminar, or other event.

## FORM C/OH-FR: DESIGNATION OF FINAL REPORT

*These instructions are for candidates and officeholders using Form C/OH-FR: C/OH REPORT: DESIGNATION OF FINAL REPORT. A final report must include this form (Form C/OH-FR) and the CAMPAIGN FINANCE REPORT (Form C/OH) with the “Final Report” box checked on Page 1, Section 9. It must also include Schedules A, B, E, F, G, H, I, K, and T, as applicable.*

### GENERAL INFORMATION

For filing purposes, you are a “candidate” as long as you have an appointment of campaign treasurer on file. If you do not expect to accept any further campaign contributions or to make any further campaign expenditures, you may file a final report of contributions and expenditures. A final report terminates your appointment of campaign treasurer and relieves you of the obligation of filing further reports as a candidate.

If you do not have an appointment of campaign treasurer on file, you may not accept *campaign* contributions or make *campaign* expenditures. A payment on a campaign debt is a campaign expenditure. An officeholder who does not have an appointment of campaign treasurer on file may accept *officeholder* contributions and make *officeholder* expenditures.

The effect of filing a final report differs depending on whether you are an officeholder at the time you file a final report.

**If you are an officeholder at the time of filing a final report**, you will not have to worry about surplus political funds and assets until you cease to be an officeholder. You may still be required to file semiannual reports of contributions and expenditures as an officeholder. The only officeholders who are not required to file semiannual reports are local officeholders who do not exceed \$500 in contributions or expenditures during the reporting period. If you cease to be an officeholder at a time when you do not have a campaign treasurer appointment on file, *and you retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions after filing the last required report as an officeholder*, you must file an annual report of unexpended contributions not earlier than January 1 and not later than January 15 of each year following the year in which you filed the last required report as an officeholder. You may not retain these unexpended funds longer than six years after the date you ceased to be an officeholder.

**If you are not an officeholder at the time of filing a final report**, you will no longer be required to file reports *unless you retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions*. If you retain any of those items, you must file an annual report of unexpended contributions not earlier than January 1 and not later than January 15 of each year after the year in which you filed your final report. You may not retain these unexpended funds longer than six years after the date of filing a final report.

At the end of the six-year period, you must dispose of unexpended political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions in one of the following ways:

- 1) You may give them to the political party with which you were affiliated when your name was last on the ballot.
- 2) You may give them to a candidate or a political committee. If you do so, however, you must file a report on Form SPAC as described in the instructions for the CANDIDATE/OFFICEHOLDER REPORT: UNEXPENDED CONTRIBUTIONS (Form C/OH-UC).
- 3) You may give them to the comptroller for deposit in the state treasury to be used to finance primary elections.
- 4) You may give them to one or more persons from whom you received political contributions, but the total returned to any person may not exceed the aggregate amount accepted from that person during the last two years during which you were accepting political contributions.
- 5) You may give them to a recognized charitable organization formed for educational, religious, or scientific purposes that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986, and its subsequent amendments.
- 6) You may give them to a public or private post-secondary educational institution or an institution of higher education as defined by Section 61.003(8), Education Code, for the purpose of assisting or creating a scholarship program.

You may dispose of unexpended contributions in any of those ways at any time during the six-year period.

Once you have disposed of all your contributions and assets, you must file your final disposition of unexpended contributions report. Use Form C/OH-UC, but select “Final Disposition” instead of “Annual” in Section 4. You may file this report any time after you have disposed of all campaign or officeholder contributions and assets. (A report of the disposition of unexpended contributions must be filed by the 30th day after the date the six-year period ends.)

### COMPLETING THE FORM

*Each numbered item in these instructions corresponds to the same numbered item on the form.*

1. **C/OH NAME:** Enter your full name.
2. **ACCOUNT #:** If you are filing with the Ethics Commission, enter your account number. If you do not file with the Ethics Commission, you are not required to enter an account number.
3. **SIGNATURE:** You must sign this section to indicate that you understand the consequences of filing a final report.
4. **FILER WHO IS NOT AN OFFICEHOLDER:** Complete this section if you are not an officeholder at the time of filing your final report. Be sure to check the appropriate box in both sections A and B and sign on the “Signature” line.
5. **OFFICEHOLDER:** Complete this section if you are an officeholder at the time of filing your final report.

## EXAMPLES OF EXPENDITURES

*This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting the purpose of an expenditure. However, it is not, and is not intended to be, an exhaustive or an exclusive list of how a filer may permissibly report the purpose of an expenditure.*

(1) Example: Candidate X is seeking the office of State Representative, District 2000. She purchases an airline ticket from ABC Airlines to attend a campaign rally within District 2000. The acceptable category for this expenditure is “travel in district.” The candidate activity that is accomplished by making the expenditure is to attend a campaign rally. An acceptable brief statement is “airline ticket to attend campaign event.”

(2) Example: Candidate X purchases an airline ticket to attend a campaign event outside of District 2000 but within Texas, the acceptable category is “travel out of district.” The candidate activity that is accomplished by making the expenditure is to attend a campaign event. An acceptable brief statement is “airline ticket to attend campaign or officeholder event.”

(3) Example: Candidate X purchases an airline ticket to attend an officeholder related seminar outside of Texas. The acceptable method for the purpose of this expenditure is by selecting the “travel out of district” category and completing the “Schedule T” (used to report travel outside of Texas).

(4) Example: Candidate X contracts with an individual to do various campaign related tasks such as work on a campaign phone bank, sign distribution, and staffing the office. The acceptable category is “salaries/wages/contract labor.” The candidate activity that is accomplished by making the expenditure is to compensate an individual working on the campaign. An acceptable brief statement is “contract labor for campaign services.”

(5) Example: Officeholder X is seeking re-election and makes an expenditure to purchase a vehicle to use for campaign purposes and permissible officeholder purposes. The acceptable category is “transportation equipment and related expenses” and an acceptable brief description is “purchase of campaign/officeholder vehicle.”

(6) Example: Candidate X makes an expenditure to repair a flat tire on a campaign vehicle purchased with political funds. The acceptable category is “transportation equipment and related expenses” and an acceptable brief description is “campaign vehicle repairs.”

(7) Example: Officeholder X purchases flowers for a constituent. The acceptable category is “gifts/awards/memorials expense” and an acceptable brief description is “flowers for constituent.”

(8) Example: Political Committee XYZ makes a political contribution to Candidate X. The acceptable category is “contributions/donations made by candidate/officeholder/political committee” and an acceptable brief description is “campaign contribution.”

(9) Example: Candidate X makes an expenditure for a filing fee to get his name on the ballot. The acceptable category is “fees” and an acceptable brief description is “candidate filing fee.”

(10) Example: Officeholder X makes an expenditure to attend a seminar related to performing a duty or engaging in an activity in connection with the office. The acceptable category is “fees” and an acceptable brief description is “attend officeholder seminar.”

(11) Example: Candidate X makes an expenditure for political advertising to be broadcast by radio. The acceptable category is “advertising expense” and an acceptable brief description is “political advertising.” Similarly, Candidate X makes an expenditure for political advertising to appear in a newspaper. The acceptable category is “advertising expense” and an acceptable brief description is “political advertising.”

(12) Example: Officeholder X makes expenditures for printing and postage to mail a letter to all of her constituents, thanking them for their participation during the legislative session. Acceptable categories are “advertising expense” OR “printing expense” and an acceptable brief description is “letter to constituents.”

(13) Example: Officeholder X makes an expenditure to pay the campaign office electric bill. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office electric bill.”

(14) Example: Officeholder X makes an expenditure to purchase paper, postage, and other supplies for the campaign office. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office supplies.”

(15) Example: Officeholder X makes an expenditure to pay the campaign office monthly rent. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office rent.”

(16) Example: Candidate X hires a consultant for fundraising services. The acceptable category is “consulting expense” and an acceptable brief description is “campaign services.”

(17) Example: Candidate/Officeholder X pays his attorney for legal fees related to either campaign matters or officeholder matters. The acceptable category is “legal services” and an acceptable brief description is “legal fees for campaign” or “for officeholder matters.”

(18) Example: Candidate/Officeholder X makes food and beverage expenditures for a meeting with her constituents. The acceptable category is “food/beverage expense” and an acceptable brief statement is “meeting with constituents.”

(19) Example: Candidate X makes food and beverage expenditures for a meeting to discuss candidate issues. The acceptable category is “food/beverage expense” and an acceptable brief statement is “meeting to discuss campaign issues.”

(20) Example: Officeholder X makes food and beverage expenditures for a meeting to discuss officeholder issues. The acceptable category is “food/beverage expense” and an acceptable brief statement is “meeting to discuss officeholder issues.”

(21) Example: Candidate/Officeholder X makes food and beverage expenditures for a meeting to discuss campaign and officeholder issues. The acceptable category is “food/beverage expense” and an acceptable brief statement is “meeting to discuss campaign/officeholder issues.”



**We Make a Difference!**

**Montgomery County  
Hospital District**

**District Purchasing Policy  
November 2010**

*Amended and Revised May 2012*

MONTGOMERY COUNTY HOSPITAL DISTRICT  
PURCHASING POLICIES AND PROCEDURES

Updated through May 2012

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## INTRODUCTION

Montgomery County Hospital District is a political subdivision of the State of Texas created by an election of the District's voters in 1977. The District's purpose is to provide medical care to certain low-income residents of Montgomery County and other health care services. In connection with such duties, the District must periodically make expenditures of public funds for purchases of supplies, equipment, materials and services. Although not required by the District's enabling legislation, the Board of Directors has sought to adopt comprehensive purchasing policies to ensure that District purchases are procured in a competitive manner so as to ensure the District receives the best value.

These policies and procedures outline the methods of procurement and the duties and responsibilities of the Montgomery County Hospital District as delegated to the Chief Executive Officer or his/her designee(s) by the Board of Directors.

It is the District's intention that all purchases of supplies, equipment, materials, and contracted services, (other than those covered by the Texas Professional Services Procurement Act<sup>1</sup>) where the costs exceed \$25,000 are to be purchased using a procurement methodology selected by the Chief Executive Officer and/or Board of Directors which is intended to result in obtaining the best value for the district.

Purchases of less than \$25,000 are to be made on the open market by the District's Chief Executive Officer and/or his/her designee(s) as outlined in these policies and procedures.

### **PUBLIC PURCHASING HAS SEVERAL GOALS:**

- Purchase the proper goods or services to suit the District's needs.
- Procure the best possible price and value for the goods or services required.
- Have the goods or services available where and when they are needed.
- Assure a continuing supply of needed goods and services.
- Guard against any misappropriation of the District funds.

### **PUBLIC PURCHASING MUST ALSO ASSURE THAT:**

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<sup>1</sup> Tex. Gov't. Code ch. 2254.



- Responsible bidders are given a fair opportunity to compete for the District's business.
- Public funds are safeguarded.
- Public spending is not used to enrich elected officials or government employees, or to confer favors upon constituents.

The efficiency and effectiveness of any program depends on good, sound principles and management. Purchasing is no different. There are common, basic principles of purchasing which can be applied to any purchasing program to make it operational to the best advantage of any organization.

It is the intent of this policy to promote effective, efficient and consistent procurement in Montgomery County Hospital District, using procurement methodologies yielding the best value to the District for the benefit of its taxpayers.

There are several different types of purchases. They are as follows:

EMERGENCY:

Emergency purchases are made to meet a critical, unforeseen need of the District due to exigent circumstances and/or factors outside the District's control. Because the utilization of normal procurement processes would result in unreasonable delay in situations where public health and/or safety is at immediate risk, emergency purchases shall be exempt from otherwise applicable purchasing procedures as set forth herein.

SOLE SOURCE:

Sole Source purchases are goods and services available from only one supplier. This may be because of patents and copyrights or simply because a single vendor supplies the particular goods or services. These purchases shall be exempt from the otherwise applicable purchasing procedures set forth herein, so long as the decision is made that sole source procurement represents the best value to the District in light of the circumstances.

SERVICES:

Different types of services are needed by the District. Professional services shall be procured pursuant to the Professional Services Procurement Act for those services contemplated under said Act, and pursuant to a request for qualifications and/or request for proposals for services not contemplated under the Professional Services Procurement Act. In some instances, due to sole source, specialized

skills and/or knowledge, service providers will be directly retained by the District, based upon the discretion of the Chief Executive Officer that a request for qualifications and/or request for proposals is unnecessary.

#### CONSTRUCTION:

These are projects normally involving the extensive use of plans, prints and/or professional construction services. The supervision of this type of procurement typically requires the services of an engineer. These projects will be procured pursuant to the methodology which results in the best value to the District and in strict compliance with Chapter 2267 of the Texas Government Code

#### ITEMS:

Items include any service, equipment, goods, or other tangible or intangible personal property, including insurance and technology and are generally subject to competitive procurement as provided by these policies.

### CIRCUMVENTING THE SYSTEM

Some types of purchases by the District are governed by statutory requirements of local, state or federal origin. The requirements of the statutes have been incorporated into the District's internal policies and will be followed where applicable. Circumvention of these policies is discouraged and any evidence of circumvention will constitute grounds for disciplinary action up to and including termination.

## CHAPTER 1

### STATEMENT OF PURCHASING POLICY

Montgomery County Hospital District operates under the authority granted by the State of Texas in its enabling statute. With the exception of contracts for construction governed by ch. 2267 of the Government Code the District's Board of Directors has been granted "the power to prescribe the method and manner of making purchases and expenditures by and for the hospital district."<sup>3</sup> The District's Board of Directors has

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2 Acts of the 65<sup>th</sup> Leg. R.S. Ch. 258 (1977).

3 MCHD Enabling Act at §11(c).

elected to establish the following policies and procedures and reserve the right to amend them at any time.

The Montgomery County Hospital District pledges to discharge its duties in a manner that will provide, to all responsible vendors and contractors, an equitable and competitive access to Montgomery County Hospital District procurement processes. Further, the District's procurement will be conducted in a manner that will promote public confidence in the integrity of the organization.

## CHAPTER 2

### MONTGOMERY COUNTY HOSPITAL DISTRICT PURCHASING CODE OF ETHICS

#### **GENERAL ETHICAL STANDARD**

1. It shall be a breach of ethics for an employee of the Montgomery County Hospital District to attempt to realize personal gain through public employment with Montgomery County Hospital District by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics for an employee of the Montgomery County Hospital District to attempt to influence any public employee of Montgomery County Hospital District to breach the standards of ethical conduct set forth in these policies.
3. It shall be a breach of ethics for any employee of Montgomery County Hospital District to participate directly or indirectly in procurement when the employee knows that
  - a. the employee, or a member of the employee's immediate family has a financial interest pertaining to the procurement;
  - b. a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or any other person, business, or organization with whom the employee, or any member of the employee's immediate family, is negotiating or, has an arrangement concerning prospective employment, or is involved in the procurement.
4. Gifts - It shall be a breach of ethics for any person to offer, give or agree to give any employee or former employee of Montgomery County or for

any employee or former employee of Montgomery County Hospital District to solicit, demand, accept or agree to accept from another person, a gift or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or any other advisory capacity in any proceeding or application request for ruling, determination, claim or controversy, or other peculiar matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal, therefore, pending before the District.

5. Kickbacks - It shall be a breach of ethics for any payment, gift or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier of subcontractor for any contract for Montgomery County Hospital District or any person associated therewith, as an inducement for the award of a subcontract or order. No such inducement is proper prior to or subsequent to an award of contract.
6. It shall be a breach of ethics for any employee or former employee of Montgomery County Hospital District knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated gain of any person.
7. Employees of the Montgomery County Hospital District who are found to have violated any one or more of the Code of Ethics shall be subject to disciplinary action, including possible termination of employment with the District and prosecution as may be afforded by law.

### **CHAPTER 3**

#### **CHIEF EXECUTIVE OFFICER AS PURCHASING AGENT**

1. The Chief Executive Officer of the Hospital District, and/or his designee(s), shall act as the District's purchasing agent and supervise all purchases to ensure compliance with these policies.
2. A purchase made by the Chief Executive Officer and/or his designee(s) shall be paid for by the manner provided by law, including but not limited to the Texas Prompt Payment Act. The District may not honor a payment for a purchase unless the purchase is made and/or authorized by the Chief Executive Officer and/or his designee(s) or by the Board of Directors and funds have been appropriated and budgeted for such purchase.

3. In addition to the aforementioned requirements, the Chief Executive Officer for Montgomery County Hospital District and/or his designee(s) will:
  - a. encourage and support compliance with the Texas state statutes, including the District's enabling legislation and the policies adopted there under by the Board of Directors, including but not limited to this policy; and
  - b. promote local business participation in the Montgomery County Hospital District procurement process.

#### CHAPTER 4

#### THE PURCHASING PROCESS

##### **A. GENERAL INFORMATION**

1. Montgomery County Hospital District will not be obligated to purchase equipment or accessories that are delivered for use on a trial basis.
2. The following purchasing procedures that are made with the intention of avoiding competitive bidding requirements are not authorized:
  - a. **COMPONENT PURCHASES:** defined as purchasing an item that, as a whole, would have normally been competitively bid, in a series of component purchases.
  - b. **SEPARATE PURCHASES:** defined as purchasing an item in a series of separate purchases that normally would have been purchased in one.
  - c. **SEQUENTIAL PURCHASES:** defined as purchases made over a period of time that in normal purchasing practices would be made as one purchase.
3. No District employee has the authority to request a purchase of supplies, materials, equipment, or services for his/her own personal use absent advance authorization by the Chief Executive Officer and/or his designee(s).

##### **B. ADDITIONAL PURCHASING RESPONSIBILITIES**

1. The Chief Executive Officer and/or his designee(s) should be cognizant of budget balances and refrain approving expenditures in excess of those balances, except in cases of public necessity and/or public calamity.
2. The Chief Executive Officer and/or his designee(s) shall plan purchases in order to keep "rush" and "emergency" purchases to a minimum. The District rarely enjoys any economic benefits from rush and emergency purchases. In most cases, prices for commodities and services are at a premium when there is not proper time allowed to explore sources, options, and alternatives.
3. The Chief Executive Officer and/or his designee(s) shall assure that all District employees responsible for making requests for purchases have read and understand the purchasing procedures of Montgomery County Hospital District as embodied in these policies.
4. The Chief Executive Officer and/or his designee(s) shall ensure that where possible, purchase and procurement requests are descriptive and specific but do not prevent competitive bidding of comparable items.
5. The Chief Executive Officer and/or his designee(s) should understand and appreciate the nature of public purchasing, reviewing, and consider all responses in order to promote competitive bidding.

**C. PURCHASES**

1. The purchase process should include a system of authorizations and safeguards so that improper or illegal purchasing is difficult both to initiate and to conceal.
2. Purchases for service will include information from the requisitioning employee that will provide additional details regarding the required service if necessary, and the budget account for which such item shall be charged.
3. The Chief Executive Officer may designate one or more persons authorized to make purchasing decisions for MCHD based upon department needs, employment seniority, employment responsibility, employment designation, amount of purchase, or other criteria as chosen by the Chief Executive Officer. The Chief Executive Officer at his discretion may set purchasing limits for his designees and authorized employees.

**D. Credit Card and Charge Card Program**

1. The Chief Executive Officer may authorize the use of a Credit Card or Charge Card program based upon the Texas Comptroller's Texas Procurement and Support Services Program (TPASS). The Chief Executive Officer shall have discretion to use other charge card or credit card programs which offers similar restrictions, controls, and advantages as the Texas Comptroller's Texas Procurement and Support Services Program. The use of a credit card or charge card, authorized under this policy, by any District personnel does not alter or change any other existing purchasing policies.

**CHAPTER 5**

**STANDARD PURCHASE ORDERS**

**A. STANDARD PURCHASE ORDERS**

1. Authorized purchases must be conducted through the District's Purchase Order Process as set up by the District's accounting department whenever possible. Whenever practical the Purchase Order must be completed and approved prior to the time of purchase of the good or service. Point of sale purchases, generally for smaller amounts and small items are not required to have a Purchase Order completed prior to purchase; however, all District employees shall endeavor to use the Purchase Order process as much as possible.
2. Whenever possible, a Purchase Order should be generated and approved using the online electronic Purchase Order system.
3. File copies of all Purchase Orders will be maintained in accordance with the District's records retention policy.

**B. ANNUAL CONTRACTS/BLANKET PURCHASE ORDERS**

1. Annual Contract/Blanket Purchase Orders are agreements with vendors which allow frequent or small purchases by departments during the District's fiscal year without going through repetitive procurement procedures. Blanket Purchase Orders can also control pricing.

2. Montgomery County Hospital District will have two classes of Annual Contract/Blanket Purchase Orders:
  - a. Purchase Orders not exceeding \$25,000 in a fiscal year which will be solicited unilaterally by the Chief Executive Officer and/or his designee(s);
  - b. Purchase Orders expected to exceed \$25,000 in a fiscal year, and which require the approval of the Board of Directors.
3. Annual Contracts for Maintenance and Service Agreements
  - a. Where feasible, the District may enter into annual contracts with selected vendors for various maintenance services. These contracts may include, but not be limited to, office machine maintenance including computers and related office equipment, software maintenance and upgrades, cleaning services, pest control, and equipment rental agreements.
  - b. Negotiation of these contracts and agreements is the responsibility of the Chief Executive Officer and/or his designee(s).
  - c. As contracts are initiated, appropriate staff will be notified as to the terms of the agreements and how to obtain needed service through them.
4. The Chief Executive Officer and/or his designee(s) will maintain a schedule of all blanket purchase orders.

**C. PURCHASE ORDERS FOR TRAINING, SEMINARS, MEMBERSHIPS, SUBSCRIPTIONS, TRAVEL, LODGING, FOOD, AND BOOKS**

Competitive quotes are not required for individual expenses incurred in connection with training, seminars, memberships, subscriptions, travel, foods, or books which total less than \$2,000.00 per person unless the Chief Executive Officer and/or his designee(s) deems it necessary; however, persons making such purchases are encouraged to ensure the District is obtaining a reasonable governmental rate for all expenditures in connection with District business. Persons making such expenses are not required to select the lowest cost item under this section if legitimate reasons exist for selection of an item of higher cost. Expenses incurred for travel, lodging, and meals will be approved and paid



in accordance with the Personnel Policies & Procedures – Travel and Entertainment Policy.<sup>4</sup>

**D. DOLLAR THRESHOLDS FOR PURCHASE ORDERS**

1. If a purchase requires an expenditure of funds in an amount less than \$25,000 the Chief Executive Officer and/or his designee(s) will make and approve all purchases unilaterally. The purchasing procedure will be as follows:
  - a. \$1,999.00 or LESS - quotations may or may not be solicited, only if Chief Executive Officer and/or his designee(s) deems necessary;
  - b. \$2,000.00 to \$10,000.00 telephone price quotations will be sought. All telephone quotations will be documented and recorded by the Chief Executive Officer and/or his designee(s). Alternatively, informal written bids and/or proposals may be solicited. Whenever possible, any quotes received shall be documented in the electronic Purchase Order system;
  - c. \$10,000.00 to \$25,000 written quotations will be requested and documented in connection with the award decision;
  - d. \$25,000 or more will be conducted by the formal, sealed, bid or request for proposal process. All purchases for materials and/or services in excess of \$25,000 must have the formal approval of the Board of Directors.
2. The Chief Executive Officer and/or his designee(s) reserves the right to deviate from these policies for any purchases under the \$25,000 competitive bidding threshold, if it is in the best interest of the District and if it will facilitate specific District operations. If a deviation from the policy is required, the Chief Executive Officer and/or his designee(s) will authorize the deviation by signing the Purchase Order giving approval.
3. Sequential, Component, Separate, or Cumulative purchase orders for a single particular product and which would amount to greater than \$25,000.00 within a fiscal year shall be subject to the competitive bid procedures set out in this policy.

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<sup>4</sup> These policies incorporate by reference the reimbursement rates approved by the federal government.

**E. EXCEPTIONS TO THE PURCHASE CYCLE FOR EXPENDITURES UNDER \$25,000**

1. As with any set of guidelines or rules, there will be exceptions to the normal purchasing cycle with the understanding that the exceptions will only apply when there is a legitimate and obvious need.
2. EMERGENCY: An emergency situation is commonly described as an unforeseen situation which adversely and unduly affects the life, health, or convenience of the residents of Montgomery County, or circumstances that would cause a loss to the District. If an emergency arises during normal working hours, the affected employee(s) shall:
  - a. notify the Chief Executive Officer and/or his designee(s) of the situation and possible cost, if known;
  - b. within the working day or not exceeding the next working day, the employee will submit the Purchase Order to the Chief Executive Officer and/or his designee(s) noting the reason for the emergency.
3. If an emergency should arise after regular hours, the employee may proceed with the emergency acquisition and on the next regular day of business, a Purchase Order, invoices and properly completed receiving report (including a brief explanation of the purchase) will be sent to the Chief Executive Officer and/or his designee(s). The Chief Executive Officer and/or his designee(s) will then assign a Purchase Order number and forward that number to the appropriate vendor.

**EMERGENCY PURCHASES EXCEEDING \$50,000 CAN NOT BE MADE WITHOUT PRIOR APPROVAL FROM THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OR HIS EXECUTIVE STAFF DESIGNEE.**

**F. REIMBURSEMENTS TO AN INDIVIDUAL AND/OR ACCOUNT**

1. Since reimbursements are different from purchases, only in that the vendor is a specified employee or accounts, they must meet all purchasing procedures as outlined in the Purchasing Policy.
2. When possible, reimbursements must have prior approval from the Chief Executive Officer and/or his designee(s).

3. If prior approval was not obtained, written documentation explaining why it was not possible to do so, must be submitted to the Chief Executive Officer and/or his designee(s).

**G. CONTRACT WITH PERSON INDEBTED TO THE DISTRICT**

1. The District may refuse to enter into a contract or other transaction with a person and/or entity indebted to the District.

**CHAPTER 6**

**RECEIVING MATERIALS**

1. When receiving ordered goods, the user will conduct an initial inspection of the merchandise to determine its condition. A comparison shall be made of the goods received against the product specifications. Once a determination has been made that the article(s) received are to the purchase order specifications and undamaged, the receiving report should be signed and sent to the Chief Financial Officer, or the receipting process should be completed on the electronic Purchase Order.
2. If freight is visibly damaged, receiving personnel should instruct the freight line driver to:
  - a. note the damage on the freight bill and then,
  - b. sign the freight bill.
3. If there is concealed damage, save the shipping cartons and notify the freight company and request an "inspection report of concealed damage". A receiving report noting the damage should be completed and matched with the receiving copy of the Purchase Order.
4. Damaged freight should always be reported to the freight line within the same day after the delivery, if possible.
5. All materials and equipment not received properly or in compliance with the contract should be documented and then reported to the Chief Executive Officer and/or his designee(s) as well as the Chief Financial Officer as soon as possible, so that the vendor can be notified and instructed as to corrective action.
6. Damaged supplies, equipment, or materials should not be returned to the freight line, or the vendor, unless specifically requested to do so, and then

only if a claim has been filed or if authorization has been given by the vendor and/or Chief Executive Officer and/or his designee(s).

7. The employee receiving the materials must verify that all items were shipped as stated on the delivery ticket, and sign in his or her own name or identifying mark, in ink.
8. The Chief Executive Officer and/or his designee(s) will receive a copy of the Purchase Order to be signed "Materials received by". Documentation will be matched with the vendor's invoice.
9. INCOMPLETE/PARTIAL ORDERS
  - a. In the event an order is incomplete, the employee receiving the order should make an inquiry for scheduled shipment of the remaining order or contact the Chief Executive Officer to make that inquiry.
  - b. Authorization for payment of a partial order is accomplished by signing the delivery ticket indicating the purchase order number, date, vendor and items received. When applicable, the District's accounting software should be updated with the partial receipt. This document should be forwarded to the Chief Executive Officer, along with a copy (with words "Partial") on the receiving copy of the purchase order.

## CHAPTER 7

### PROCUREMENT OF PROFESSIONAL SERVICES

1. The procurement of professional services will be governed by the "Professional Services Procurement Act" (Tex. Gov't. Code ch. 2254). Professional Services includes accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing.
2. All requests for professional services will be provided to the Chief Executive Officer by memo.
3. Though competitive bids/quotes may not be used, it will be the policy of the District to procure, in most cases, professional services through a request for qualifications (RFQ). There may be instances when it is not

practical to pursue this method of procurement for professional services. The procurement of services must be based on qualifications and competence, and shall comply with the express statutory requirements where such are applicable.

4. The Board of Directors is required to approve any contract for a professional service which will exceed \$25,000 during a fiscal year. The contract shall be in writing and approved and signed before services are rendered.
5. The Chief Executive Officer will sign contracts under \$25,000 for professional services, the contract shall be in writing and signed before services are rendered.
6. For other professional type services not specifically defined above in paragraph 7. (1.), the District shall review whether such services should be bid by Request for Proposal (RFP), Request for Qualifications (RFQ), or direct hire. The Chief Executive Director or his designee shall have the discretion to decide the manner and method of contracting for such services based upon his evaluation of each circumstance.

## CHAPTER 8

### COMPETITIVE BIDS/PROPOSALS

#### A. **COMPETITIVE BIDS**

1. Competitive bidding means letting the available vendors compete with each other to provide goods and/or services. In the case of local governmental entities, the bidding process has two additional purposes.
2. The first purpose of competitive bidding is to ensure that public monies are spent properly, legally, and for public projects only, and that the best possible value is received for the money. The second purpose is to give those qualified and responsible vendors who desire to do business with the District a fair and equitable opportunity to do so. The employment of a standard, and consistent bidding process provides the public with an assurance that their tax dollars are being spent properly.
3. With a few exceptions, competitive bidding of expenditures in excess of \$25,000 will be accomplished by the following:

- a. a memo should be signed by the Chief Executive Officer and/or his designee(s) giving notice to the Board Chairman of the intent to purchase the product or service.
  - b. After specifications are developed, notice of the proposed purchase will be published.
  - c. All purchases over \$25,000.00 require Board approval and the notice given to the Board Chairman under Paragraph 8. A. 3. a. above, is not Board approval of the purchase but merely notice of the intent to bid for the item.
4. Nothing in these policies shall be construed to prohibit or prevent the District from using competitive bidding and/or competitive proposals for procurements of items in which the anticipated expenditure by the District is less than \$25,000, where it is determined to be advantageous to the District to do so.

**B. REQUEST FOR PROPOSALS**

1. If the Chief Executive Officer and/or his designee(s) determine that it is impractical to prepare detailed specifications for an item to support the award of a purchase contract, the person may use the multi-step competitive proposal procedure provided by this section.
2. Proposals for an item may be solicited through a request for proposals. Public notice for the request for proposals must be made in the same manner as provided in the competitive bidding procedure, except that the notice may include a general description of the item to be purchased, instead of the specifications describing the item or a statement of where the specifications may be obtained, and may request the submission of unpriced proposals.
3. On the date specified in the notice, the Chief Executive Officer and/or his designee shall open the proposals and, within seven days after that date, solicit by mailed request priced bids from the persons who submitted proposals and who qualified under the criteria stated in the first solicitation.
4. Within 30 days after the date the unpriced proposals are opened under subsection (3), the priced bids shall be submitted to the Chief Executive Officer and/or his designee(s). The award of the contract shall be made to the responsible offeror whose bid is determined to be the best evaluated value resulting from negotiation. All proposals and bids that have been

submitted shall be available and open for public inspection after the contract is awarded.

5. Discussion may be conducted with responsible offerors who submit priced bids determined to be reasonably susceptible of being selected for award. Offerors must be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submission and before award for the purpose of obtaining best and final offers.

**C. BONDING**

Bid solicitations may include, as necessary, bonding requirements (e.g. bid bonds). This is to ensure that if the bidder attempts to withdraw after his bid is accepted, the District will not suffer financial loss.

**D. COMPETITIVE BIDDING/ REQUEST FOR PROPOSALS NOTICE**

A notice of a proposed purchase must be published at least once a week for two consecutive weeks in a newspaper of general circulation in the County. The first day publication should be 14 days before the date of the bid opening. The notice must include:

- a. for items subject to competitive bids, the specifications describing the item to be purchased or a statement of where the specifications may be obtained;
- b. the time and place for receiving and opening bids and/or proposals and the name and position of the District official or employee to whom the bids are sent;
- c. for competitive bids, whether the bid should be lump sum or unit pricing;
- d. the method of bond required of the bid, if any.

In addition the District may publish notice of a proposed purchase, including bid specifications on the District's website.

**E. PRE-BID CONFERENCE**

The Chief Executive Officer and/or his designee may require a principal, officer, or employee of each prospective bidder/proposer to attend a mandatory pre-

bid/pre-proposal conference for the purpose of discussing specifications, contract requirements and answering questions of prospective bidders/proposers.

**F. RECEIVING BIDS/PROPOSALS**

1. All bids and proposals will be received by the Montgomery County Hospital District Administrative Office, unless otherwise specified.

This process should be undertaken in a manner that will preclude any notion of favoritism.

2. NO BIDS WILL BE RECEIVED AFTER TIME AND DATE REQUESTED ON THE DAY OF THE BID UNLESS OTHERWISE SPECIFICALLY DIRECTED BY THE CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE(S). All bids received after said time will be returned unopened to the bidder with a letter from the Chief Executive Officer and/or his designee(s) notifying the bidder that the submitted bid/proposal was received subsequent to the due date and time.
3. The District Office will record the name of the vendor's representative submitting the bid or proposal and obtain a signature, as well as the time and date the bid or proposal was submitted. That record will be provided to the Chief Executive Officer of the District and/or his designee(s). If a bid and/or proposal is received by mail, express mail, or by courier, the method of delivery will be reflected in the record.
4. After bids and/or proposals are received, a secure place will be provided by the District Administrative Office for the holding of bids/proposals until the bid opening date. The bids and/or proposals are to be received sealed and shall remain sealed until opened by the Chief Executive Officer and/or his designee(s), Chief Financial Officer, and/or a representative of the Board of Directors in a public forum.
5. On occasion, bids and proposals which are not clearly marked as such are received in the mail, or by some other independent carrier, and may be inadvertently opened. If this situation occurs, the bid will be sealed again by an employee of the District, together with a witness, and the occasion will be documented.

**G. OPENING BIDS/PROPOSALS**



The bids and/or proposals will be opened on the date specified in the notice. The date specified in the notice may be extended if an error is discovered in the original specifications or if the nature of the item to be purchased required an extension for the District. Pre-tabulation will be provided to the public when appropriate.

#### **H. AWARDING A CONTRACT**

1. The Chief Executive Officer and/or his designee(s) will evaluate all bids and/or proposals, and a recommendation will be made to the Board of Directors for those purchases that require Board of Directors' approval. Factors that shall be considered in such evaluation shall include the bidder's/proposer's ability to perform and or supply the product or service in a timely manner, the bidder's/proposer's history in supplying such goods and/or services, the quality of the goods and/or services offered, and any other factors identified by the Chief Executive Officer and/or his designee as being pertinent to the determination of a bidder's/proposer's responsibility and ability to perform under its bid and/or proposal. The District shall endeavor to determine and publish its scoring criteria for evaluation of bids and/or proposals in the bid specifications and/or request for proposals.
2. The Chief Executive Officer and/or his designee(s) or Board of Directors as appropriate, will either approve the recommendation or reject all bids and authorize the Chief Executive Officer to re-bid the item and/or service.
3. After an award is made, a purchase order will be issued.

#### **I. MODIFICATION AFTER AWARD**

1. After award of a contract but before the contract is made, the Chief Executive Officer and/or his designee(s) may negotiate a modification of the contract if the modification is in the best interests of the District and does not substantially change the scope of the contract or cause the contract amount to exceed the next lowest bid.
2. If it becomes necessary to make changes in plans, specifications, or proposals after a contract is made or if it becomes necessary to increase or decrease the quantity of items purchased, the Chief Executive Officer and/or his designee(s) may make the changes. However the total contract price may not be increased unless the cost of the change can be paid from budgeted and available funds of the District.

3. No change order and/or attempted modification of a contract which causes the contract price to increase by \$25,000 or more shall be valid unless approved by the District's Board of Directors.

## CHAPTER 9

### EXEMPTIONS TO THE COMPETITIVE BIDDING PROCESS

Some goods and services are exempt from the competitive bidding process. Section 262.024 of Texas Local Government Code lists several circumstances when purchases may be exempt from the competitive bidding process. While the District is not bound to Section 262.024 of the Texas Local Government Code, by way of example, the following is a list of items and circumstances that may be exempt from competitive bidding. The Chief Executive Officer may in his discretion exempt a purchase from competitive bidding for good cause. In such instance the Chief Executive officer must get Board approval for any exception over \$25,000.00.

**A. Items and services that are exempt from competitive bidding include:**

1. An item that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens, or to preserve the property of the District,
2. Personal or professional services,
3. Real property purchases or right of way circumstance,
4. Personal property sold at auction or at a going out of business sale,
5. Property owned by a political subdivision of a local, state or federal governmental entity,
6. Purchases made by and through the District's participation in a local government purchasing cooperative and/or through an interlocal agreement<sup>5</sup> with another governmental entity shall be deemed to have satisfied the requirements of this policy.

**(NOTE: EMERGENCY ORDERS WHICH EXCEED \$50,000.00 REQUIRE THE BOARD OF DIRECTORS APPROVAL BEFORE A PURCHASE ORDER CAN BE ISSUED)**

**B. Goods and Services which can only be obtained from one source, including:**

1. Goods and services for which competition is precluded because of the existence of patents, copyrights, trade secrets, or monopolies,
2. Electric power, gas, water, other utility type services,

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<sup>5</sup> Texas Gov't. Code ch. 791.

3. Captive replacement parts for equipment or parts made by a specific manufacturer for equipment produced by same manufacturer.
4. Other goods or services which may be provided by only one vendor or manufacturer.

**SOLE SOURCE ITEMS** require a memo or statement from the Chief Executive Officer and/or his designee(s) as to the existence of only one source, to be accepted by the Board of Directors and this must be reflected in the minutes of the meeting of the Board of Directors.

**C. The renewal and/or extension of a lease, maintenance agreement, license agreement, or similar circumstance.**

1. The renewal or extension of a lease, maintenance agreement, license, or similar issue is exempt from competitive bidding, but remains subject to appropriations by the Board when:

- A. The lease, maintenance agreement, license, or similar issue has gone through the competitive bidding procedure originally, or was exempt by Sole Source exceptions and continues to be subject to Sole Source exceptions.

2. It is possible that a lease, maintenance agreement, license, or similar issue may be subject to a Sole Source exception as well. In such cases, the Chief Executive Officer may with good cause exempt the purchase from competitive bidding on that basis. However, the Chief Executive Officer shall endeavor at all times to secure the best price available for the District.

3. The Chief Executive Officer may in his discretion exempt Station Leases which are less than \$25,000.00 per year per Station from competitive bidding requirements.

## CHAPTER 10

### CONSTRUCTION

- A. Chapter 2267 of the Texas Government Code shall govern all contracts for construction by the Montgomery County Hospital Districts. In addition, the bonding requirements set forth in Chapter 2253 of the Texas Government Code shall apply to all contracts for construction.

- B. The District will consult legal counsel before entering into a construction contract to ensure all legal requirements have been met.
  
- C. All methods for construction set forth in chapter 2267 of the Texas Government Code shall be available to the District to choose from at the discretion of the Board of Directors, which shall pick the method which provides the best value to the District.

## **CHAPTER 11**

### **STATE CONTRACT AND CATALOGUE PURCHASES AND INTERLOCAL AGREEMENTS**

#### **A. INTRODUCTION**

Several statutory provisions in Texas law provide authority to local governments to purchase goods and services through the State General Services Commission's vendors and/or through agreements with other local governments and political subdivisions. One such provision allows purchasing from vendors with which the State has entered into contracts as a result of competitive bidding procedures. These are referred to as State Contract purchases. Another provision allows purchasing automated information services from approved vendors based on their catalogue prices and negotiations. These are referred to as State Catalogue purchases. Other provisions allow for purchasing through interlocal agreements, including through local government purchasing cooperatives.

#### **B. STATE CONTRACT PURCHASES**

- 1. Sections 271.081 through 271.083 of the Texas Local Government Code requires the State Purchasing and General Services Commission to establish a local government purchasing program. The Montgomery County Hospital District may participate in this program and may make purchases under such program and by doing so is deemed to have satisfied the bidding requirements imposed by these policies.

2. The Chief Executive Officer is designated to act for the District at the direction of the Board of Directors in all matters relating to the program, including the purchase of goods and services from the vendor under any contract. The District is responsible for making payments directly to the vendor.
3. The Chief Executive Officer is responsible for submitting requisitions to the commission under any contract or electronically sending purchase orders directly to vendors and reports to the commission on actual purchases in compliance with the commission's regulations.
4. The Chief Executive Officer is responsible for vendor's compliance with all the conditions of delivery and quality of the purchased goods and services.
5. The Chief Executive Officer is authorized to sign and deliver all necessary documents for purchases under this program on behalf of the District.
6. The award of any contract from state contracts shall be in writing, approved and signed by the Chief Executive Officer if less than \$25,000 or the Board of Directors if more than \$25,000, prior to any services being rendered. The Board of Directors authorizes the Chief Executive Officer to execute any contracts for state contract purchases that are procured in compliance with this chapter if the cost does not exceed \$25,000.

**C. STATE CATALOGUE PURCHASES**

1. The District is authorized by the Texas Government Code Section 2157.067 and the Texas Local Government Code Sections 271.082 and 271.083 to participate in the State General Services Commission's catalogue purchasing procedure for automated information systems.
2. The District will follow the procedures outlined in the Texas Government Code Chapter 2157 for the purchase of automated information systems. The District will seek the best value which is in the District's best interest by following the Request for Offer (RFO) procedure.
  - a. The best value is defined as the lowest overall cost of information systems based on the following factors:
    - (i) purchase price
    - (ii) compatibility to facilitate exchange of existing data

- (iii) capacity for expansion and upgrading to more advanced level of technology
  - (iv) quantitative reliability factors
  - (v) the level of training needed to bring end users to a stated level of proficiency
  - (vi) the technical support requirement for maintenance of data across a network platform and management of the network's hardware and software
  - (vii) compliance with the applicable statewide standards adopted by the Department of Information Resources
- b. The best interest of the District considers the following factors:
- (i) installation costs and hardware costs
  - (ii) the overall life cycle of the system of equipment
  - (iii) the estimated cost of employee training and estimated increase in employee productivity
  - (iv) the estimated software and maintenance costs
  - (v) the rules that prescribe applicable statewide standards adopted by the Department of Information Resources
- c. To insure that the District receives best value from catalogue purchases, the following procedures will be used:
- (i) three vendors (at least) will be selected to provide a Request for Offer (RFO)
  - (ii) the RFO provides a method of negotiating prices, terms, and conditions with catalog vendors. It assumes that negotiation for best value will occur with catalog vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogues.

- (iii) factors which may influence the selection of vendors/goods and services include industry reputation, user recommendations, specifications, prior experience with the vendors/goods and services, and quality of service provided after sale.
  - (iv) selected vendors will be given a written copy of the District's requirements. Vendors response should be in writing, signed by the vendor and delivered to the Chief Executive Officer or his designee(s).
  - (v) it will be explained to vendors that the RFO process is an interactive negotiation process. Each vendor will be provided with the same information, including the specifications, deadlines for responses, and other clarifying information.
  - (vi) when appropriate, include a statement of work to be preformed, minimum performance requirements, evaluation factors, specific features, service requirements, delivery dates, and terms.
  - (vii) all offers will be kept confidential until the award is final.
3. The award of any contract from the state catalogue shall be in writing, approved and signed by either the Chief Executive Officer if less than \$25,000 or the Chairman of the Board of Directors if more than \$25,000 prior to services being rendered.

#### **D. INTERLOCAL AGREEMENTS**

Purchases made by the District through interlocal agreements with other local governmental entities and/or through local government purchasing cooperatives shall be deemed to satisfy these purchasing policies with respect to the competitive bidding and/or competitive procurement of items purchased through such agreements.

### **CHAPTER 12**

#### **SPECIFICATIONS**

##### **A. SPECIFICATIONS - GENERAL**

A specification is a concise description of a good or service an entity seeks to buy, and the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, preparing, or installation. The specification is the total description of the purchase.

**B. PURPOSE**

The purpose of any specification is to provide clear guides of what is to be purchased and to provide vendors with firm criteria of a minimum standard acceptable for goods or services. A properly drafted specification has four characteristics:

1. It establishes the minimum acceptability of the goods or services;
2. It promotes competitive bidding;
3. It contains provisions for reasonable tests and inspections for acceptability of the goods or services; and
4. It provides for an equitable award to the lowest and best bid from a responsible bidder.

**C. PREPARATION OF SPECIFICATIONS** - District personnel shall use diligent efforts to prepare procurement specifications meeting these policies and guidelines, and such specifications shall provide sufficient detail to enable all bidders/proposers to avoid speculation and/or conjecture in the preparation of their bids in identifying the goods and/or services sought by the District.

**CHAPTER 13**

**PROPERTY SALVAGE AND DISPOSAL - DISPOSITION  
AND PURCHASES MADE TO PASS THROUGH TO  
OTHER GOVERNMENT ENTITY**

1. Throughout the fiscal year, many times, items may outlive their usefulness and become unserviceable or obsolete. Prior to taking any item out of service, it should first be determined that the item in question could not be transferred to another user department for continued service. If it is found that the item is no longer serviceable to the District, it shall be reported to the Chief Executive Officer for ultimate disposal.



2. Upon written notification by the user department that an item is in need of disposal, the Chief Executive Officer will assume ownership until final disposal.
3. Upon approval by the Board of Directors, surplus or salvage material, and equipment may be disposed of in one of the following methods:
  - a. public auction and or public sale;
  - b. trade-in on new equipment;
  - c. sealed bids;
  - d. distribution as unsalvageable and/or donation to local charity groups
  - e. if salvage property cannot be donated, then disposed of in a commercially prudent manner.
4. At times, the District may be asked to purchase an item for and on behalf of another Government Entity wishing to rely on expertise of the District in a particular area. The District may do so only when the purchase will not interfere financially or otherwise with the mission of the District. Such purchases may not result in a gift or grant to the other Government Entity.

#### CHAPTER 14

#### INVOICES

Invoicing is considered an important part of the procurement process.

As per this policy, the vendor's invoice will be submitted directly to the Chief Executive Officer and/or his designee(s) by the vendor. If the mail is used, the address to be used is:

MONTGOMERY COUNTY HOSPITAL DISTRICT  
C/O CHIEF EXECUTIVE OFFICER  
P. O. BOX 478  
CONROE, TX 77305

## CHAPTER 15

### PURCHASING AUTHORIZATION FORM/APPOINTMENT OF DESIGNEES

1. The Chief Executive Officer shall be authorized to appoint one or more designees as purchasing officers to carry out the requirements of this policy and to act in the place of the Chief Executive Officer in the making of purchases of goods and services for the District.
2. A written designation shall be signed by the Chief Executive Officer for each person who has been delegated the authority to approve purchases on the Chief Executive Officer's behalf.
3. The purchasing authorization designation shall indicate that the person having the authority to approve purchases has read and understood the Purchasing Policies and Procedures and will abide by the guidelines, restrictions, and duties enumerated therein.

### CONCLUSION

This Purchasing Policy and Procedures may be amended and supplemented from time to time by resolution of the Board of Directors. All existing purchasing policies of the District containing provisions inconsistent with these policies and procedures are hereby repealed and replaced by these policies and procedures. No violation of these policies and procedures alone shall constitute a basis for a legal challenge, as it is intended by the District that these policies are intended to provide a method of guidance for the District's purchases, but shall not be construed as having the force and effect of law. Any provisions of the District's enabling statutes as well as other state or federal laws, rules or regulations which are applicable to the District and which conflict with these policies and procedures shall supersede these policies and procedures to the extent of such conflict.

These policies and procedures have been approved by the Board of Directors of the Montgomery County Hospital District, acting at a public meeting held in strict compliance with the Texas Open Meetings Act, to take effect immediately.

THESE POLICIES AND PROCEDURES WERE PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT ON THE 17<sup>th</sup> DAY OF JUNE, 2008. Amendments to this Policy were adopted by the Board of Directors on the 28th day of May, 2012

	Resolution(s)	Date Approved
	Amendment to Investment Policy	05/12/03
	Anti-Fraud Resolution	02/24/09
	Criminal Background Check Resolution	02/24/09
	Don Disbennett - Resolution to secure computer	09/16/03
	Driver License Resolution	02/24/09
	East County Clinic Resolution	05/20/04
	Election of Directors - change in Election Date	07/26/11
	Emergency Medical Services	02/24/09
	Employment Services Resolution	02/24/09
	Equal Employment Opportunity	07/15/03
	Establishing rules and policies regarding reimbursement to Non-Mandated Health Care Providers for treatment of HCAP patients	08/17/04
	Ethics Policy & Resolution	06/24/14
	Financing by The Woodloch Health Facilities Development Corporation	09/10/13
	Fraud Resolution	02/24/09
	Goods In Transit	12/20/11
	HB 737	05/09/11
	HB 1517	02/03/09
	Health Care Programs offered by the District, including the Health Care program promulgated under Chapter 61 of the Texas Health & Safety Code	04/17/07
	Lien Resolution	
	Memorial Herman The Woodlands Hospital	04/17/01
	Montgomery County Cares Implementation Resolution	09/30/04
	Montgomery County Healthcare Foundation Protection of Funds following Dissolution of Healthcare Foundation	12/19/06
	National Incident Management (NIMS)	01/23/07
	Openness in Government Resolution #5: Money in the Minutes	09/16/03
	Operating Fund Surplus	11/23/04
	Proper Spokesman Resolution	01/20/04
	Public Information Request Pursuant to the Texas Government Code Section 552.275 - Limit the expenditure of time and uncompensated resources when responding to Public Information Request	05/28/13
	Public Participation at Board Meetings	07/15/03
	Purchasing Policy to Provide for Updated Charge Card Procurement Alternatives	06/17/08
	Purchasing Policy (Including revisions made thereto as a result of acts of the 82nd Texas Legislature	05/22/12
	Records Retention Policy Resolution	09/16/03
	Regional Health Partnership - East Eight	03/22/12
	Remove MCDH from Tax Rolls	05/12/03
	SB 397	05/09/11
	St. Luke's Community Medical Center/The Woodlands - Consenting to Action by Harris County Health Facilities Development Corporation to Cause Renovations of Improvements to and Acquisition of Additional Equipment	08/21/07
	Section 106.112, Texas Special District Local Laws Code (Competitive Bids \$50,000)	05/27/14
	Section 106.051, Texas Special District Local Laws Code (Election)	05/27/14
	Subrogation Resolution	02/24/09
	Texas Building and Procurement Commission	10/19/04

	<b>Resolution(s)</b>	<b>Date Approved</b>
	The Not Resolution	08/25/03
	Wellness Program	09/16/98

6. Consider and approve amendment to Investment policy. (Change in signatures for MCHD checks).

A motion to adopt version A which is only CEO signatory \$10,000 or under was made by Director Yollick, Director Leigh seconded the motion.

- A motion was made by Director Yollick to amend the amendment to remove board members from signatories and either the CEO or 2 department heads can sign checks-this motion fails for lack of second.
- A motion to amend the original motion was made by Director Leigh, seconded by Director Huff to be as amended the signatory on checks under \$9,999 will be either CEO or a combo of any 2 dept. heads or two board members in the event that there is not a CEO for the District. After discussion an amendment that the department heads that are chosen to sign as dept. heads are Clinical Mgr., Clinical Mgr., and HR Mgr, this amendment was passed by a majority vote with Director Yollick abstaining. The main motion passed unanimously.

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide indigent health care to the citizens of Montgomery County, Texas, as well as better provide Emergency Medical Services; and

**WHEREAS**, hospital districts may adopt procedures to prevent and detect fraud in their indigent care programs regarding an applicant's presentation of fraudulent information involving residency, income, or resources and current statute allows hospital districts to disqualify persons from these programs in cases where fraud is present.

**WHEREAS**, due to the high rate of health care uninsured and other factors, hospital districts continue to experience increasing demand for district-funded indigent care services, as well as numerous attempts and acts associated with gaining such services by fraudulent means.

**WHEREAS**, hospital districts have a duty to assure that their public funds are spent on services that are not fraudulently obtained and to seek recovery for services gained in such a manner but currently do not have a means of recovering the value of services received by fraudulent means.

**WHEREAS**, Representative \_\_\_\_\_ (or Senator \_\_\_\_\_) has indicated

intent to sponsor a legislative bill (or Bill No. \_\_\_\_\_) in the 81<sup>st</sup> Texas Legislature to authorize hospital districts to recover the value to the hospital district of fraudulently-obtained health care services provided to a person who is disqualified under the provisions of Health and Safety Code, Section 61.066.

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes to be sponsored by Representative \_\_\_\_\_ (or Senator \_\_\_\_\_).**

**BE IT SO RESOLVED.**

Passed and Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ against, \_\_\_\_\_ abstaining.

**MONTGOMERY COUNTY HOSPITAL DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide Emergency Medical Services to the citizens of Montgomery County, Texas; and

**WHEREAS**, current statutes and regulations do not adequately provide mechanisms for the Texas Department of State Health Services to prevent the certification of individuals with serious criminal backgrounds; and

**WHEREAS**, the Texas Department of State Health Services is not authorized to pre-screen individuals with a criminal background wishing to obtain EMS certification; and

**WHEREAS**, the Governor's EMS and Trauma Advisory Council unanimously endorsed legislation to strengthen regulations to protect the health and safety of the public through more stringent criminal background restrictions; and

**WHEREAS**, Representative Riddle has sponsor a legislative bill HB 2845 in the 81<sup>st</sup> Texas Legislature to remove the Texas Department of State Health Services licensing process for Emergency Medical Service Personnel from the basic licensure scheme of Ch. 53, Occupations Code, and add language to Chapter 773 of the Health and Safety Code to address a fair method to complete criminal background checks upon individuals seeking EMT certification; and

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;



**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning criminal background checks for individuals seeking EMT certification to be sponsored by Representative Riddle.**

**BE IT SO RESOLVED.**

Passed and Approved this 24<sup>th</sup> day of February, 2009, by a vote of six (6) in favor and zero (0) against, zero (0) abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

## **Resolution to Secure Don Disbennett's (FORMER CEO) Computer and any Backup**

RESOLVED that the Chief Executive Officer of the district determine who in the organization is using the computer that Don Disbennett used when CEO of the district.

FURTHURE RESOLVED that the District shall instruct the CEO to confiscate that computer and any backup to the computer immediately and seal it and put it in his possession until a court order is rendered in the case of the State of Texas versus Nicol Huff for the purpose to look into any misuse or misapplication of governmental property by the former CEO Don Disbennett.





2. **Expression of Support.** The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning the use of the information from the magnetic strip located on the back of Texas drivers licenses by the District for purposes of fraud prevention in connection with its provision of indigent care and for purposes of patient identification in connection with the provision of emergency medical services, such measure to be sponsored by Senator Robert Nichols.

**BE IT SO RESOLVED.**

Passed and Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ against, \_\_\_\_\_ abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

11. Consider and act on East County Clinic Resolution  
(Resolved, that the Chief Executive Officer is authorized to negotiate a cost-effective contract for the delivery of indigent medical services at the East County Clinic to patients who have qualified as indigent under the District's Healthcare Assistance Program). (Author: Mr. Yollick)

See if these passed on  
~~5/20/04~~ what?  
#11  
PASSED

5/20/04

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY   §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO CHANGE THE ELECTION DATE FOR THE ELECTION OF DIRECTORS TO THE MONTGOMERY COUNTY HOSPITAL DISTRICT**

**WHEREAS**, The Montgomery County Hospital District's enabling legislation, as codified in chapter 1063 TEXAS SPECIAL DISTRICT LOCAL LAWS CODE, sets the election date of staggered four-year terms of the Board of Directors to be held on the uniform election date in May of each even numbered year; and

**WHEREAS**, The 82<sup>nd</sup> Legislature of the State of Texas passed Senate Bill 100, and Governor Perry signed Senate Bill 100 into law on June 17, 2011, which allows the governing body of a political subdivision of the State of Texas to change the election date of the political subdivision's governing board to the November uniform election date for the State of Texas; and

**WHEREAS**, the Elections Administrator for Montgomery County has informed the District that changing the District's election date to the November uniform election date is recommended and will help to reduce cost and create efficiencies in the election process for future elections held in Montgomery County; and

**WHEREAS**, the Montgomery County Hospital District desires to change the election date of the District to the November uniform date to better serve its constituents by saving money through efficiency and economies of scale by conducting elections concurrently with November elections for state and county and precinct offices in Montgomery, County; and

**WHEREAS**, SB 100 requires a decision by the Board of Directors to change the election date of the District to be made before December 31, 2012, and this Resolution is made and approved within that deadline; and

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Adoption of November Uniform Election Date . Pursuant to authority granted by SB 100, the Board of Directors hereby moves its election from the uniform election date in May of each even-numbered year to the uniform election date in November of each even-numbered year.

3. Adjustment of Terms of Current Directors. Those Directors whose terms currently expire on the second Tuesday of June 2012 shall hold over until their respective successors are elected and qualified following the November 2012 election. In addition, those Directors whose terms currently expire on the second Tuesday of June 2014 shall hold over until their respective successors are elected and qualified following the November 2014 election. Thereafter, Directors shall continue to be elected on staggered terms on even numbered years at the November election of such years.
4. Submission to U.S. Department of Justice. The Board of Directors directs that this Resolution be sent to the United States Department of Justice, Voting Section for consideration and preclearance under section 5 of the Voting Rights Act of 1965, as a voting change of the District.
5. Submission to Montgomery County Elections Administrator. The Board of Directors directs that a copy of this Resolution be delivered to the Montgomery County Elections Administrator, advising the Elections Administrator of the change in the election date for the election of Directors to the Montgomery County Hospital District.
6. Effective Date. This Resolution shall become effective on the latter of January 1, 2012 or upon preclearance by the Voting Rights Division of the United States Department of Justice.

**BE IT SO RESOLVED.**

Passed and Approved this 26<sup>th</sup> day of July, 2011, by a vote of 6 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT**

By: Georgette Whatley  
Georgette Whatley, Chairperson

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary



U.S. Department of Justice  
Civil Rights Division

TCH:RSB:JBG:EEK:par  
DJ 166-012-3  
2011-4416

Voting Section - NWB  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

December 7, 2011

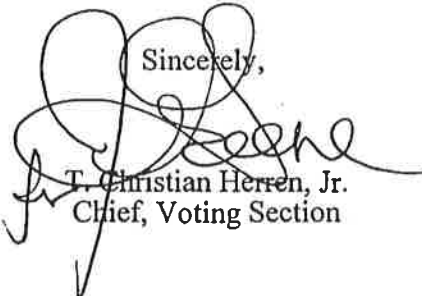
J. Greg Hudson, Esq.  
Hudson & O'Leary  
1010 MoPac Circle, Suite 201  
Austin, Texas 78746

Dear Mr. Hudson:

This refers to the change in general election date from May to November, a one-time extension in terms of office and implementation schedule for the Montgomery County Hospital District in Montgomery County, Texas, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on October 20, 2011.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41.

Sincerely,



T. Christian Herren, Jr.  
Chief, Voting Section



STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide Emergency Medical Services to the citizens of Montgomery County, Texas; and

**WHEREAS**, various municipalities around the State of Texas have adopted regulations that set minimum standards of equipment and personnel necessary for private ambulance providers which desire to operate within various municipalities around the State of Texas; and

**WHEREAS**, the Montgomery County Hospital District believes it is in the best interest of the citizens of Montgomery County to have the ability to promulgate and enforce regulations which provide minimum standards for equipment and personnel staffing by ambulance transport services within the boundaries of the Montgomery County Hospital District for purposes of ensuring public health and safety; and

**WHEREAS**, Representative Eissler has indicated intent to sponsor a legislative bill in the 81<sup>st</sup> Texas Legislature to address the issues confronting the Montgomery County Hospital District; and

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning minimum standards for private ambulance services provided within the Montgomery County, Texas, to be sponsored by Representative Eissler.**

**BE IT SO RESOLVED.**

Passed and Approved this 3<sup>rd</sup> day of April, 2009, by a vote of \_\_\_\_ in favor and \_\_\_\_\_ against, \_\_\_\_\_ abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

STATE OF TEXAS                    §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide indigent health care to the citizens of Montgomery County, Texas; and

**WHEREAS**, Chapter 61 of the Texas Health & Safety Code (Section 61.042) allows County Indigent Care programs to establish procedures consistent with those used by the Texas Department of Human Services under Chapter 31, Human Resources Code for administering an employment services program requiring an applicant for indigent health care services or an eligible resident to register for work with the Texas Workforce Commission; and

**WHEREAS**, members of our local delegation have indicated intent to sponsor a legislative bill in the 81<sup>st</sup> Texas Legislature to create a new section 61.068 of the Texas Health & Safety Code so as to allow public hospitals and hospital districts as defined by Chapter 61 of the Texas Health & Safety Code to establish procedures consistent with those used by the Texas Department of Human Services under Chapter 31, Human Resources Code for administering an employment services program and requiring an applicant for indigent health care services or an eligible resident to register for work with the Texas Workforce Commission; and

**WHEREAS**, Senator Nichols has sponsored a legislative bill SB 1473 in the 81<sup>st</sup> Texas Legislature to create a new section 61.068 of the Texas Health & Safety Code so as to allow public hospitals and hospital districts as defined by Chapter 61 of the Texas Health & Safety Code to establish procedures consistent with those used by the Texas Department of Human Services under Chapter 31, Human Resources Code for administering an employment services program and

requiring an applicant for indigent health care services or an eligible resident to register for work with the Texas Workforce Commission

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning employment services program for applicants of indigent healthcare services.**

**BE IT SO RESOLVED.**

Passed and Approved this 24<sup>th</sup> day of February, 2009, by a vote of six (6) in favor and zero (0) against, zero (0) abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

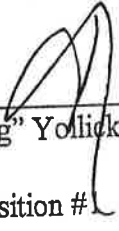
Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

Equal Employment Opportunity

RESOLVED that the Chief Executive Officer (Executive Director) shall prepare an annual analysis of the extent to which the composition of the District's personnel is in accordance with state and federal equal employment opportunity law and a description of reasonable methods to achieve compliance with state and federal equal employment opportunity law.

Respectfully submitted,

  
Eric "Bulldog" Yollick  
Trustee  
At-Large Position #1

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY   §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S  
BOARD OF DIRECTORS ADOPTING AN ETHICS POLICY**

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District desire to adopt an Ethics Policy for guidance and accountability concerning District officials and employees; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District and District officials are subject to various laws concerning ethical conduct such as Section 255.003 of the Texas Election Code and Chapter 176 of the Texas Local Government Code; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District desire to establish clear ethical standards for District officials and employees by and through an Ethics Policy so as to ensure a high standard of ethical conduct in carrying out their duties and responsibilities on behalf of the District and its residents;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of Amendments to Existing Ethics Policy.** The Montgomery County Hospital District Ethics Policy attached hereto as "Exhibit A", is approved and adopted to be effective immediately upon passage, such Ethics Policy to apply to District officials and employees until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

**BE IT SO RESOLVED.**

Passed and Approved this 24 day of JUNE, 2014.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT**

By: Kenn Fawn  
Kenn Fawn, Chairman

Attest:

Sandra Sawyer  
Board Secretary

# Exhibit A



**Montgomery County Hospital District**

**Ethics Policy**

**June 2014**

# **Montgomery County Hospital District**

## **Ethics Policy**

### **Table of Contents**

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Section 2 – Personnel Policy and Purchasing Policy Control

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Section 4      Representation of Private Interests

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Section 6      Public Property and Resources

Section 7      Political Activity

#### **Part C: Violations**

# Montgomery County Hospital District

## Ethics Policy

### **Part A: Declaration of Policy**

#### **Section 1 - Statement of Purpose**

It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but on the availability of aid or redress to all persons on equal terms and on the accessibility and dissemination of information relating to the conduct of public affairs. For the purpose of promoting confidence in the Montgomery County Hospital District ("District") and thereby enhancing the District's ability to function effectively, this ethics policy is adopted. The policy establishes standards of conduct relating to District officials and employees whose actions inevitably affect public faith in local government, such as former District officials and employees, candidates for public office. By prohibiting conduct incompatible with the District's best interests and minimizing the risk of any appearance of impropriety, this policy furthers the legitimate interests of democracy. For purposes of this policy, District officials include Board Members of the Montgomery County Hospital District.

#### **Section 2 – Personnel Policy and Purchasing Policy Control**

The District's Personnel Policy and the District's Purchasing Policy shall control over this Ethics Policy if a conflict arises between the Policies.

### **Part B: Present District Officials and Employees**

#### **Section 1 - Improper Economic Benefit**

- a. **General Rule.** To avoid the appearance and risk of impropriety, a District official or employee shall not take any official action that he or she knows is likely to affect the economic interests of:
1. himself or herself,
  2. a member of his or her family,
  3. a business or organization that the District official or employee has a financial interest in or is planning to acquire a financial interest with.

**b. Recusal and Disclosure.** A District official or employee whose conduct would otherwise violate Subsection a. must recuse himself or herself. From the time that the conflict is, or should have been recognized, he or she shall:

1. immediately refrain from further participation in the matter, including discussions with any persons likely to consider the matter; and
2. promptly disclose the issue in writing to the District's official record keeper and disclose the nature and extent of the prohibited conduct.

A supervised employee shall promptly bring the conflict to the attention of his or her supervisor, who will then, if necessary, reassign responsibility for handling the matter to another person.

**c. Abstention of District Officials.**

Additionally, under Chapter 171 of the Texas Government Code, District officials are required to submit an affidavit of abstention and abstain from voting as follows:

**§ 171.004. Affidavit and Abstention From Voting Required**

- (a) If a District official has a substantial interest in a business entity or in real property, the District official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:
  - (1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
  - (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
- (b) The affidavit must be filed with the District's official record keeper.
- (c) If a District official is required to file and does file an affidavit under Subsection (a), the District official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the District is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

**§ 171.005. Voting on Budget**

- (a) The District shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a District official has a substantial interest.
- (b) Except as provided by Section 171.004(c), the affected District official may not participate in that separate vote. The District official may vote on a final budget if:
  - (1) the person has complied with this chapter; and
  - (2) the matter in which the person is concerned has been resolved.

**§ 171.002. Substantial Interest in Business Entity**

- (a) For purposes of this chapter, a person has a substantial interest in a business entity if:
  - (1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or
  - (2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.
- (b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.
- (c) A District official is considered to have a substantial interest under this section if a person related to the District official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

**Section 2 - Unfair Advancement of Private Interests**

**General Rule.** A District official or employee may not use his or her official position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons.

### Section 3 - Confidential Information

- a. **Improper Access.** A District official or employee shall not use his or her position to obtain official information about any person or entity for any purpose other than the performance of official duties.
- b. **Improper Disclosure or Use.** A District official or employee shall not intentionally, knowingly, or recklessly disclose any confidential information gained by reason of said official's or employee's position concerning the property, operations, policies or affairs of the District. This rule does not prohibit:
  - 1. any disclosure that is no longer confidential by law; or
  - 2. the confidential reporting of illegal or unethical conduct to authorities designated by law.

### Section 4 - Representation of Private Interests

- a. **Representation by a Member of the Board.** A District official or employee shall not represent any person, group, or entity:
  - 1. before the board or other related District body;
  - 2. before District staff having responsibility for making recommendations to, or taking any action on behalf of, that board or body, unless the board or body is only advisory in nature; or
  - 3. before a board or other District body which has appellate jurisdiction over the board or body of which the District official or employee is a member, if any issue relates to the official's or employee's official duties.

### Section 5 - Conflicting Outside Employment

- a. **General Rule.** A District official or employee shall not solicit, accept, or engage in concurrent outside employment which could reasonably be expected to impair independence of judgment in, or faithful performance of, official duties.
- b. **Special Application.** The following special rule applies in addition to the general rule: A District official or employee shall not provide services to an outside employer related to the official's or employee's District duties.

### Section 6 - Public Property and Resources

A District official or employee shall not use, request, or permit the use of District facilities and premises, personnel, equipment, or supplies for private purposes (including political purposes), except:

- a. pursuant to duly adopted District policies, or
- b. to the extent and according to the terms that those resources are lawfully available to the public.

### **Section 7 - Political Activity**

- a. **Influencing Subordinates.** A District official or employee shall not, directly or indirectly, induce or attempt to induce any District subordinate of the official or employee:

- 1. to participate in an election campaign, contribute to a candidate or political committee, or engage in any other political activity relating to a particular party, candidate, or issue, or
- 2. to refrain from engaging in any lawful political activity.

A general statement merely encouraging another person to vote or participate does not violate this rule.

- b. **Official Vehicles.** A District official or employee shall not display or fail to remove campaign materials on any District vehicle under his or her control.

- c. **Individual Involvement in Campaigns.** A District official or employee, in their individual capacity, may involve themselves in support or in opposition to political candidates and campaigns pursuant to the following provisions:

- 1. Individual political activity must not interfere with the official's or employee's duties or responsibilities to the District.
- 2. A District official or employee shall not use their District affiliation in connection with their individual political activity such that a reasonable person would think that the District has endorsed the activity or person (example: an endorsement in a political advertisement).

- d. **Use of MCHD Facilities and Resources:**

- 1. A District official or employee may not use or provide District resources including, but not limited to office space, property, telephones, computers, printers, technology, photocopying, or personnel to support or oppose a political candidate, campaign, political party, political action committee or group.
- 2. A District official or employee may not use District letterhead or email in support of or in opposition to a candidate, campaign, political party, or political action committee. Unsolicited interoffice communications, including but not limited to email, texting, and other digital communications, in support of or against a

political candidate, campaign, political party, political action committee or group are prohibited.

3. A District official or employee may not place political advertising (e.g. signage) on District property, and no political candidate will be permitted to place political advertising on District property.

**Part C: Violations**

Upon a finding by the Board of Directors that a District official or employee has violated a provision of this Ethics Policy, the Board of Directors may refer the matter to other governmental agencies with jurisdiction over such matters for further investigation and prosecution as is allowed by law. In addition, District employees who are found to have violated any provision of this Ethics Policy may be subject to appropriate discipline in accordance with the District's Personnel Policy.

**PASSED AND APPROVED** by the Board of Directors of the Montgomery County Hospital District on the 24 day of JUNE, 2014.



STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS ESTABLISHING RULES AND POLICIES REGARDING REIMBURSEMENT TO NON-MANDATED HEALTH CARE PROVIDERS FOR TREATMENT OF HEALTH CARE ASSISTANCE PROGRAM PATIENTS**

**WHEREAS**, under the District's enabling legislation, Montgomery County Hospital District ("District") is obligated to provide health care to the needy inhabitants of Montgomery County; and

**WHEREAS**, the District's enabling legislation gives the Board of Directors complete discretion in the establishment and maintenance of an adequate health care system for the District's needy inhabitants; and

**WHEREAS**, the District has created and approved a Health Care Assistance Program, providing both emergency and non-emergency health care services for the District's needy inhabitants who qualify for such program; and

**WHEREAS**, the District has contracted with provider entities as its mandated health care provider to persons enrolled in the District's Health Care Assistance Program, both for emergency and non-emergency services; and

**WHEREAS**, the District's Board of Directors have promulgated certain rules and policies regarding the Health Care Assistance Program, such being intended to establish a process that will improve the overall quality of care to all needy inhabitants in Montgomery County requiring medical care and/or medical assistance; and

**WHEREAS**, the District occasionally receives requests for reimbursement from health care providers including hospitals and health care facilities for treatment of the District's Health Care Assistance Program patients for which the District has not designated as mandated health care providers for the provision of such services; and

**WHEREAS**, the Texas Indigent Health Care And Treatment Act (chapter 61, Texas Health & Safety Code) provides guidance regarding the District's obligations for reimbursement to non-mandated health care providers who have provided health care services to the District's Health Care Assistance patients; and

**WHEREAS**, in addition to the provisions of the Texas Indigent Health Care And Treatment Act, as applicable, the District's Board of Directors acting pursuant to the authority granted by the District's enabling act, seek to establish rules pertaining to the reimbursement of those non-mandated health care providers including hospitals and health care facilities who present claims for payment to the District for treatment of persons enrolled in the District's Health Care Assistance Program;

dn/oy

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT THE FOLLOWING RULES AND POLICIES ARE HEREBY ADOPTED :**

**Policy Regarding Reimbursement Requests From Non-Mandated Providers For The Provision Of Emergency And Non-Emergency Services**

**Continuity of Care:**

It is the intent of the District and its HCAP Office to assure continuity of care is received by the patients who are on the rolls of the program. For this purpose mandated provider relationships have been established and maintained for the best interest of the patients' health status. The client patients have the network of mandated providers explained to them and sign a document to this understanding at the time of eligibility processing in the HCAP Office. Additionally, they demonstrate understanding in a like fashion that failure to use mandated providers, unless otherwise authorized, will result in them bearing independent financial responsibility for their actions.

**Prior Approval:**

A non-mandated health care provider must obtain approval from the Hospital District's Health Care Assistance Program (HCAP) Office before providing health care services to an active HCAP patient. Failure to obtain prior approval or failure to comply with the notification requirements below will result in rejection of financial reimbursement for services provided.

**Mandatory Notification Requirements:**

- The non-mandated provider shall attempt to determine if the patient resides within District's service area when the patient first receives services if not beforehand as the patients condition may dictate.
- The provider, the patient, and the patient's family shall cooperate with the District in determining if the patient is an active client on the HCAP rolls of the District for HCAP services.
- Each individual provider is independently responsible for their own notification on each case as it presents.
- If a non-mandated provider delivers emergency or non-emergency services to a HCAP patient who the provider suspects might be an active client on the HCAP rolls with the District, the provider shall notify the District's HCAP Office that services have been or will be provided to the patient.
- The notice shall be made:
  - (1) by telephone not later than the 72nd hour after the provider determines that the patient resides in the District's service area and is suspect of being an active client on the District's HCAP rolls; and
  - (2) by mail postmarked not later than the fifth working day after the date on which the provider determines that the patient resides in the District's service area.

**Authorization:**

The District's HCAP Office may authorize health care services to be provided by a non-mandated provider to a HCAP patient only:

- in an emergency (as defined below and interpreted by the District);
- when it is medically inappropriate for the District's mandated provider to provide such services; or
- when adequate medical care is not available through the mandated provider.

**Emergency Defined:**

An "emergency medical condition" is defined as a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- Placing the patients health in serious jeopardy,
- Serious impairment of bodily functions, or
- Serious dysfunction of any bodily organ or part.

**Emergency Medical Services:**

MCHD as a provider of EMS for Montgomery County is independently responsible in determining the most appropriate destination by its own policies and procedures for all transported patients, including HCAP client patients. HCAP client patients are to (as conditions allow) notify EMS about their mandated provider as a preferred destination.

**Reimbursement:**

In such event, the District shall provide written authorization to the non-mandated provider to provide such health care services as are medically appropriate, and thereafter the District shall assume responsibility for reimbursement for the services rendered by the non-mandated provider at the reimbursement rates approved for the District's mandated provider, generally but not limited to, being those reimbursement rates approved by the Texas Department of Health pursuant to the County Indigent Health Care And Treatment Act. Acceptance of reimbursement by the non-mandated provider will indicate payment in full for services rendered.

If a non-mandated provider delivers emergency or non-emergency services to a patient who is on the HCAP rolls of the District and fails to comply with this policy, including the mandatory notice requirements, the non-mandated provider is not eligible for reimbursement for the services from the District.

**Return to Mandated Provider:**

Unless authorized by the District's HCAP Office to provide health care services, a non-mandated provider, upon learning that the District has selected a mandated provider, shall see that the patient is transferred to the District's selected mandated provider of health care services.

**Appeal:**

If a health care provider disagrees with a decision of the HCAP Office regarding reimbursement and/or payment of a claim for treatment of a person on the rolls of the District's HCAP, the provider will have to appeal the decision to the District's Board of Directors and present its position and evidence regarding coverage under this policy. The District will conduct a hearing on such appeal in a reasonable and orderly fashion. The health care provider and a representative of the HCAP Office will have the opportunity to present evidence, including their own testimony and the testimony of witnesses. After listening to the parties' positions and reviewing the evidence, the District's Board of Directors will determine an appropriate action and issue a written finding.

**BE IT SO RESOLVED.**

Passed and Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS

By: \_\_\_\_\_  
Francis Bourgeois, Chair

By: \_\_\_\_\_  
Bill Leigh

By: \_\_\_\_\_  
Matthew Thomas

By: \_\_\_\_\_  
Sandy Wagner

By: \_\_\_\_\_  
Georgette Lucado

By: \_\_\_\_\_  
David Witt

By: \_\_\_\_\_  
Eric Yollick

Montgomery County Hospital District  
Healthcare Assistance Program

[Today's Date}

Mr. \_\_\_\_\_  
[title]  
[hospital]  
[address]

RE: Claim for Reimbursement in connection with [patient name]

Dear Mr. \_\_\_\_\_:

This letter is in response to your letter of [date] in which [name of hospital] requests payment for the treatment of [patient name] for healthcare services provided on or about [date]. You contend that since the patient is enrolled in Montgomery County Hospital District's Healthcare Assistance Program, (an indigent care program offered by the District pursuant to the District's enabling act and chapter 61 of the Texas Health & Safety Code), that [name of hospital] is entitled to reimbursement for care and treatment of this individual.

Montgomery County Hospital District ("MCHD") must respectfully decline your request for reimbursement. MCHD has a contractual arrangement with Conroe Regional Medical Center as its mandated provider for the treatment of its Healthcare assistance patients. Persons enrolled in MCHD's Healthcare Assistance Program are directed to obtain healthcare services from the District's mandated provider, Conroe Regional Medical Center.

In the current instance, since the services provided by [name of hospital] to the patient are within the scope of services provided by MCHD's mandated provider, Conroe Regional Medical Center, the patient should have presented to that facility for such services. For this reason, MCHD respectfully declines [name of hospital]'s request for reimbursement for such services provided.

Sincerely,

Kelly Curry  
Healthcare Assistance Program  
Director

cc: file

RESOLUTION APPROVING THE FINANCING BY THE  
WOODLOCH HEALTH FACILITIES DEVELOPMENT CORPORATION  
OF A HEALTH FACILITY LOCATED WITHIN MONTGOMERY COUNTY HOSPITAL DISTRICT  
FOR WOODHAVEN VILLAGE, LLC

WHEREAS, the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"), authorizes and empowers Woodloch Health Facilities Development Corporation (the "Issuer") to issue revenue bonds on behalf of the City of Woodloch, Texas (the "Issuing Unit") to finance and refinance the costs of health facilities found by the Board of Directors of the Issuer to be required, necessary or convenient for health care, research and education, any one or more, within the State of Texas and in furtherance of the public purposes of the Act; and

WHEREAS, Section 221.030 of the Act provides that the Issuer may provide for the financing or refinancing of health facilities located outside the limits of the Issuing Unit with the consent of each city, county or hospital district within such health facility is or is to be located; and

WHEREAS, Woodhaven Village, LLC (the "Borrower"), a Texas limited liability company, proposes to obtain financing and refinancing from the Issuer from the proceeds of one or more series of the Issuer's bonds and notes in a maximum principal amount of \$35,000,000 for the costs of a senior living facility consisting of approximately 77 independent living units, 80 units of assisted living/memory care and related common areas such as dining, recreation and administrative spaces (the "Facilities"), located at 2275 Riverway Dr., Conroe, Texas; and

WHEREAS, the Facilities will be located within Montgomery County Hospital District, Texas (the "District") and outside the limits of the Issuing Unit;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

Section 1. The District hereby consents to the financing by the Issuer of the Facilities for the purposes of Section 221.030 of the Act; provided that the District shall have no liability in connection with the financing of the Facilities and shall not be required to take any further action with respect thereto.

Section 2. This Resolution shall take effect immediately from and after its adoption and it is accordingly so ordered.

PASSED AND APPROVED, this the 10 day of <sup>September</sup>~~August~~, 2013.

By: Kenn Egan  
Chairman

State of Texas

§

County of Montgomery

§

§

CERTIFIED COPY

I, Donna Daniel, in my official capacity as records custodian of the Montgomery County Hospital District, do certify that on this 30<sup>th</sup> day of September, 2013, I carefully compared the attached copy of Resolution approving the Financing by the Woodloch Health Facilities Development Corporation with the original. It is a complete and true copy of the original document now existing among the records of the Montgomery County Hospital District.



Donna Daniel, Records Custodian  
Montgomery County Hospital District

Fraud

STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide indigent health care to the citizens of Montgomery County, Texas, as well as better provide Emergency Medical Services; and

**WHEREAS**, hospital districts may adopt procedures to prevent and detect fraud in their indigent care programs regarding an applicant's presentation of fraudulent information involving residency, income, or resources and current statute allows hospital districts to disqualify persons from these programs in cases where fraud is present.

**WHEREAS**, due to the high rate of health care uninsured and other factors, hospital districts continue to experience increasing demand for district-funded indigent care services, as well as numerous attempts and acts associated with gaining such services by fraudulent means.

**WHEREAS**, hospital districts have a duty to assure that their public funds are spent on services that are not fraudulently obtained and to seek recovery for services gained in such a manner but currently do not have a means of recovering the value of services received by fraudulent means.



**WHEREAS**, Senator Nichols has introduced SB 1170 in the 81<sup>st</sup> Texas Legislature to authorize hospital districts to recover the value to the hospital district of fraudulently-obtained health care services provided to a person who is disqualified under the provisions of Health and Safety Code, Section 61.066.

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes to be sponsored by or Senator Nichols.**

**BE IT SO RESOLVED.**

Passed and Approved this 24<sup>th</sup> day of February, 2009, by a vote of six (6) in favor and zero (0) against, zero (0) abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

MONTGOMERY COUNTY HOSPITAL DISTRICT

RESOLUTION

APPROVING THE TAXATION OF GOODS-IN-TRANSIT THAT ARE OTHERWISE EXEMPT FROM  
TAXATION BY SECTION 11.253, TEXAS TAX CODE

WHEREAS, the 82<sup>nd</sup> Texas Legislature during its Special Session enacted Senate Bill 1 which amended Tex. Tax Code § 11.253, under which personal property of goods-in-transit, as newly defined, are exempt from taxation; and

WHEREAS, a new subsection (j-1) was added to § 11.253 by Senate Bill 1, and which provides for a local option under which a taxing unit may tax such goods-in-transit otherwise exempt, if the governing body of such taxing unit after a public hearing takes official action to tax such personal property; and

WHEREAS, on the 20 day of December, 2011, the governing body of Montgomery County Hospital District held a public hearing at which members of the public were permitted to speak for or against the taxation of certain goods-in-transit personal property; and

WHEREAS, following the public hearing, the governing body of Montgomery County Hospital District has determined that such personal property, as exempted by Tex. Tax Code § 11.253, should be subject to taxation by Montgomery County Hospital District for tax year 2012 and all subsequent years.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

- (1) all of the recitals are incorporated and made a part of this Resolution and,
- (2) all such goods-in-transit personal property as defined by the amendments to Texas Tax Code § 11.253 under Senate Bill 1, shall be, and are hereby declared to be, taxable by Montgomery County Hospital District for tax year 2012 and for every year thereafter, all as provided for and in accordance with Texas Tax Code § 11.253.

PASSED, APPROVED and ADOPTED this 20 day of December, 2011.

MONTGOMERY COUNTY HOSPITAL DISTRICT

BY: Georgette Whatley

Printed Name: GEORGETTE Whatley  
Chair/Presiding Officer

ATTEST:

Sandy Wagner  
Printed Name: Sandy Wagner  
Secretary

VIA REGULAR MAIL

December 21, 2011

MARK CASTLESCHOULDT  
CHIEF APPRAISER  
MONTGOMERY CENTRAL APPRAISAL DISTRICT  
109 GLADSTELL  
CONROE, TEXAS 77301

**RE: MONTGOMERY COUNTY HOSPITAL DISTRICT –  
PROPERTY TAX CODE SECTION 11.253, TANGIBLE PERSONAL PROPERTY IN  
TRANSIT – RESOLUTION/ORDINANCE/ORDER ADOPTING THE TAXATION OF  
GOODS-IN-TRANSIT PERSONAL PROPERTY**

Dear Mr. Castleschouldt,

Regarding the referenced matter and relating to Property Tax Code Section 11.253, Tangible Personal Property in Transit, attached for your information and use is a copy of the resolution/ordinance/order approved on December 20, 2011 by the governing body for the Montgomery County Hospital District wherein the governing body provide for the taxation of goods-in-transit personal property beginning with tax year 2012 and applicable to every tax year thereafter. As you know, in accordance with Section 11.253, this decision is subject to any subsequent rescission or repeal of same or later determination by the governing body that the exemption prescribed by that section will apply.

Please feel free to contact me should you have any questions, concerns and/or require additional information.

Sincerely,



GEORGETTE Whatley  
Printed Name

Enclosure(s)

cc: J.R. Moore, Jr. Montgomery County Tax Assessor-Collector

STATE OF TEXAS

§

COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S  
BOARD OF DIRECTORS IN SUPPORT OF THE COMMITTEE SUBSTITUTE  
TO HB 737**

WHEREAS, the Board of Directors of the Montgomery County Hospital District (hereinafter "MCHD") previously opposed HB 737, communicating its opposition to the District's legislative delegation; and

WHEREAS, a proposed committee substitute to HB 737 has been shared with the MCHD and the MCHD has found that the committee substitute addresses MCHD's prior concerns; and

WHEREAS, MCHD is in full support of continued growth and development in Montgomery County, including the addition of "venues" as outlined in the committee substitute; and

WHEREAS, by this Resolution the Board of Directors of the MCHD seeks to express its support of the committee substitute to HB 737; and

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY  
HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. The MCHD Board of Directors, acting in its official capacity, does hereby express its support of the committee substitute for HB 737 for the reasons set forth in the recitals set forth above.
2. This Resolution was discussed and officially acted upon in a duly called meeting of the MCHD held on May 9, 2011.

**BE IT SO RESOLVED.**

Passed and Approved this 9th day of May, 2011, by a vote of 6  
in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Georgette Whatley  
Georgette Whatley, Chairperson

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary



1. Approval of Recitals as Findings Of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning minimum standards for private ambulance services provided within the Montgomery County, Texas, to be sponsored by Representative Eissler.

**BE IT SO RESOLVED.**

Passed and Approved this 3<sup>rd</sup> day of April, 2009, by a vote of 3 in favor and 2 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Francis Bourgeois  
Francis Bourgeois, Chairman

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS ESTABLISHING RULES, REGULATIONS AND PROCEDURES CONCERNING HEALTH CARE PLANS OFFERED BY THE DISTRICT, INCLUDING THE HEALTH CARE PLAN PROMULGATED UNDER CHAPTER 61 OF THE TEXAS HEALTH & SAFETY CODE**

**WHEREAS**, the enabling legislation for the Montgomery County Hospital District provides that the Board of Directors shall manage, control and administer the health care and resources of the District; and

**WHEREAS**, the enabling legislation for the Montgomery County Hospital District further provides that the Board of Directors is charged with the responsibility for the provision of health care services as permitted by the Texas Constitution and Chapter 61, Health and Safety Code, and its subsequent amendments, on terms and conditions as the board of directors determines to be in the best interests of the district; and

**WEHREAS**, the Board of Directors has previously adopted a single set of criteria and guidelines for eligibility and participation in the health care services provided by the District; and

**WHEREAS**, the Board of Directors believes it is in the best interest of the District and its residents to adopt new criteria for eligibility and participation in the health care services provided by the District, with segregated and separate eligibility and benefit criteria for such Plan participants, with eligibility for a particular Plan dependent upon a participant's income and resources; and

**WHEREAS**, the Board of Directors believes that by providing separate eligibility criteria for participants seeking health care services provided by the District, such eligibility dependent upon income and resources of the participant, it may better allocate the funds expended by the District for such services and extend health care services to a wider pool of participants, thereby improving the overall quality of health care services to eligible residents in Montgomery County; and

**WHEREAS**, the Board of Directors at its February 2007 and March 2007 has adopted certain changes to its eligibility and benefit rules in connection with these efforts to better allocate available District funds to a wide pool of participants, to protect the interests of the District's taxpayers, and to recognize the fact the District's role as the "payor of last resort"; and

**WHEREAS**, by this Resolution the Board of Directors seeks to ratify, amend and adopt those health care eligibility and benefit plan policies and rules to govern the operations of the District's health care program;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY**

**HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of New Health Care Plan Policies.** The Health Care Plan policies appended hereto as Exhibits "A" and "B" as amended from those adopted by the Board of Directors at its February and March 2007 meetings, are hereby RATIFIED, APPROVED AND ADOPTED and are incorporated herein for all respects. Such Policies shall constitute the health care policies and rules governing the eligibility and benefits for health care services provided by the District from this day forward, subject to future amendment by the Board of Directors. These policies and rules are to be construed and interpreted independently from one another, are adopted pursuant to sections 5, 11, and 20 of the District's enabling legislation, and are generally described as follows:

**Plan 1: Montgomery County Indigent Care Plan** - The Montgomery County Indigent Care Plan will emulate and adhere to the eligibility criteria and benefits for indigent healthcare as set forth in Chapter 61 of the Texas Health & Safety Code. The federal poverty income limit (FPIL) will be 0-21%, or at such level as is established for County indigent care programs under Chapter 61 of the Texas Health & Safety Code. Undocumented immigrants would remain ineligible; however, employer-sponsored insurance availability and five-year residency for temporary and/or "qualified" U.S. residents for would not affect one's eligibility for this Plan's coverage.

**Plan 2: Montgomery County Medical Assistance Plan** - The Montgomery County Medical Assistance Plan will have the same eligibility criteria as the Montgomery County Indigent Care Plan, except the Plan will cover those whose incomes and resources fall above Chapter 61 guidelines for County indigent care programs up to 150% of FPIL. This Plan will continue in force the prior eligibility exclusions for undocumented immigrants, persons with employer-sponsored insurance, and the five-year residency requirement for temporary and/or "qualified" U.S. residents. This Plan affords benefits to persons to which coverage is not mandated under Chapter 61 of the Health & Safety Code.

3. **Grandfathering of Current HCAP Enrollees.** All current Plan participants shall be entitled to the same services guaranteed under the Plan policies and rules that were in effect as of the time of their enrollment. However, the policies and rules appended hereto and approved by this Resolution shall apply prospectively to such participants at such time as they reapply for eligibility.
4. **Provision of Notice As Required By Law.** The Board of Directors authorizes the staff of the District to provide notice to the public of the attached policies and rules as may be required by law.
5. **Open Meetings Act.** The Board of Directors further finds that the meeting at which this Resolution was voted upon and approved was timely noticed and held in strict compliance



with the Texas Open Meetings Act, ch. 551, Tex. Gov't. Code.

**BE IT SO RESOLVED.**

Passed and Approved this 17 day of April, 2007, by a vote of 5  
in favor and 1 against,          abstaining, 1 not present.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By:   
David Witt, Chairman

Attest:

  
Francis Bourgeois, Board Secretary

STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide indigent health care to the citizens of Montgomery County, Texas; and

**WHEREAS**, Chapter 55 of the Texas Property Code allows for the filing of medical services liens by emergency medical services providers and hospitals against future settlements in cases of liability; and

**WHEREAS**, Hospital Districts that do not operate hospitals are not authorized to file liens for medical services paid for through local taxation; and

**WHEREAS**, members of the local delegation have indicated intent to sponsor a legislative bill in the 81<sup>st</sup> Texas Legislature to amend and expands the definition of "Hospital" in section 55.001(3) of the Texas Property Code to include hospital districts created under the authority of Article 9, sections 4 through 11 of the Texas Constitution so to allow such districts to file liens in cases allowed by the statute; and

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning the ability of Hospital Districts to file liens to recover tax payer funds.**

**BE IT SO RESOLVED.**

Passed and Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ against, \_\_\_\_\_ abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE IMPROVEMENTS TO AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

WHEREAS, the Harris County Health Facilities Development Corporation (the "HCHFDC") has been requested to issue its bonds, in one or more series, to finance improvements to and additional equipment for Memorial Hermann The Woodlands Hospital (the "Health Facilities") and, through the loan of proceeds of such bonds, to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, which are to be located within the jurisdiction of the Montgomery County Hospital District (the "District") in Montgomery County, Texas;

WHEREAS, under the Health Facilities Development Act, chapter 221, Texas Health and Safety Code, the HCHFDC may do so only with the consent of the Commissioners Court of Montgomery County and the District; and

WHEREAS, the District desires to facilitate the financing, acquisition, construction, and improvement of the Health Facilities in order better to provide for the health care needs of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this \_\_\_\_\_.

  
Chairman, Board of Directors

  
Secretary, Board of Directors

4/17/01

CERTIFICATE

THE STATE OF TEXAS  
COUNTY OF HARRIS  
MONTGOMERY COUNTY HOSPITAL DISTRICT

§  
§  
§

We, the undersigned officers of the Board of Directors (the "Board") of the Montgomery County Hospital District (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on April \_\_\_\_, 2001, at 200 Riverpoint Drive, Conroe, Texas, and the roll was called of the Board, to-wit:

- John Sallee, Chair
- Starlett Curry, Vice Chair
- Nicol Huff, Secretary
- Dr. Greg Hall, Treasurer
- Jack Mitchell
- Marie Wilcoxson
- Monte West

All members of the Board were present, except the following: \_\_\_\_\_, thus constituting a quorum. Whereupon among other business, the following was transacted at such meeting: A written


**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE IMPROVEMENTS TO AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

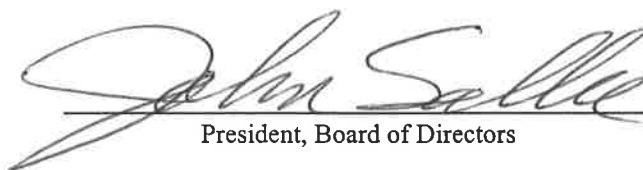
was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

AYES: \_\_\_\_ NOES: \_\_\_\_

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to this Certificate; such Resolution has been duly recorded in the Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_.

  
Secretary, Board of Directors

  
President, Board of Directors

(DISTRICT SEAL)

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH  
FACILITIES DEVELOPMENT CORPORATION TO CAUSE  
IMPROVEMENTS TO AND ACQUISITION OF  
ADDITIONAL EQUIPMENT FOR  
MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

WHEREAS, the Harris County Health Facilities Development Corporation (the "HCHFDC") has been requested to issue its bonds, in one or more series, to finance improvements to and additional equipment for Memorial Hermann The Woodlands Hospital (the "Health Facilities") and, through the loan of proceeds of such bonds, to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, which are to be located within the jurisdiction of the Montgomery County Hospital District (the "District") in Montgomery County, Texas;

WHEREAS, under the Health Facilities Development Act, chapter 221, Texas Health and Safety Code, the HCHFDC may do so only with the consent of the Commissioners Court of Montgomery County and the District; and

WHEREAS, the District desires to facilitate the financing, acquisition, construction, and improvement of the Health Facilities in order better to provide for the health care needs of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this \_\_\_\_\_.

  
\_\_\_\_\_  
Chairman, Board of Directors

  
\_\_\_\_\_  
Secretary, Board of Directors

# FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

1301 MCKINNEY, SUITE 5100  
HOUSTON, TEXAS 77010-3095

TELEPHONE: 713/651-5151  
FACSIMILE: 713/651-5246

FREDRIC A. WEBER  
PARTNER

INTERNET ADDRESS:  
fweber@fulbright.com

DIRECT DIAL: 713/651-3628

HOUSTON  
WASHINGTON, D.C.  
AUSTIN  
SAN ANTONIO  
DALLAS  
NEW YORK  
LOS ANGELES  
MINNEAPOLIS  
LONDON  
HONG KONG

March 28, 2001

Re: Financing of Improvements to and Equipment for  
Memorial Hermann The Woodlands Hospital

Honorable John Sallee, Chair  
Montgomery County Hospital District  
P.O. Box 478  
Conroe, Texas 77305-0478

BO Approved  
4-17-01

Dear Mr. Sallee:

On behalf of our clients, Memorial Hermann Hospital System ("Memorial Hermann") and the Harris County Health Facilities Development Corporation (the "HCHFDC"), we respectfully request that your hospital district assist Memorial Hermann's efforts to improve and purchase additional equipment for Memorial Hermann The Woodlands Hospital (the "Hospital") by consenting to the issuance of tax-exempt bonds for that purpose by the HCHFDC at your first board of directors meeting on or after April 16, as you did in 1997 and 1998 when Memorial Hermann financed earlier improvements to the Hospital.

**Proposed Financing.** The Hospital is a 92-bed acute care hospital located at 9520 Pinecraft Drive in The Woodlands. Memorial Hermann anticipates making additional capital investments to improve, renovate, and further equip the Hospital to serve the growing needs of Montgomery County. To minimize financing costs and, accordingly, hospital charges, Memorial Hermann would like to finance its investments with tax-exempt bonds.

Memorial Hermann is a Texas non-profit corporation. It owns or leases and operates community based health care facilities, including eight non-sectarian general acute care hospitals (including Memorial Hermann Hospital--a tertiary care teaching hospital, among other health-care facilities, all serving the greater Fort Bend, Harris, and Montgomery County area. It would like to finance additional capital investments in its other hospitals with tax-exempt bonds, too. To minimize overall transaction costs, Memorial Hermann would like to finance its investments in the Hospital and these hospitals in a single financing through the HCHFDC.

Honorable John Sallee  
March 28, 2001  
Page 2

Since Memorial is a non-profit organization, savings realized by it through the proposed financing will enable it to provide better health care services to Montgomery stabilize the cost of its services.

**Required State Law Consent.** The Texas Health Facilities Development Act authorizes the HCHFDC to finance improvements to and equipment for the Hospital, but only if the Montgomery County Commissioners Court and your board of directors consent. Memorial Hermann has received preliminary approval from the HCHFDC to undertake the proposed financing. Memorial Hermann has asked for Montgomery County's consent. On behalf of Memorial Hermann and the HCHFDC, we respectfully request that your board of directors consent to the issuance of bonds by HCHFDC to finance improvements to and equipment for the Hospital in accordance with the Act.

**Proposed Resolution and Timing.** A proposed resolution of your board of directors granting the requested consent is enclosed. As you can see from the resolution, it does not impose any obligation on the District, but rather merely satisfies legal conditions to action by the HCHFDC. Also enclosed is a suggested form of certificate to evidence adoption of the resolution.

To permit the HCHFDC to sell the bonds on schedule, we respectfully request the board of directors' consideration of this matter at its first meeting on or after April 16. The caption of the resolution should suffice as a description of the agenda item for open meetings law purposes.

I would be pleased to answer any questions you, your board or your attorney may have about the requested action. I will contact your office in the near future to answer any questions you may have about this request, and I plan to attend your board of directors meeting when it is considered to address any questions that may come up then. Please feel free to call me if you have any questions that should be answered before I contact your office.

Thank you in advance for any assistance you can provide in scheduling action on our request and for facilitating the financing of this worthwhile project. I look forward to discussing this request with you, either by phone or at the board of directors meeting.

Very truly yours,

  
Fredric A. Weber

FAW/mgv  
Enclosures  
Via Messenger



Honorable John Sallee

March 28, 2001

Page 3

cc: Ms. Debbie Geegir (w/enclosures)

Mr. Greg Hudson (w/enclosures)

Mr. Carrol E. Aulbaugh (w/enclosures)  
Memorial Hermann Healthcare System

## NOTICE OF PUBLIC HEARING

Take Notice that, for purposes of section 147(f) of the Internal Revenue Code of 1986, as amended, the Harris County Health Facilities Development Corporation (the "Issuer") will hold a public hearing on April 16, 2001, at 10:00 a.m. at the offices of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, with respect to the proposed issuance of the Issuer's limited obligation revenue bonds in the approximate maximum aggregate principal amount of \$325,000,000 (the "Bonds") to finance renovations of, additions (including elderly care facilities) to, and the acquisition of capital equipment for the following healthcare facilities, located at the following locations in the State of Texas:

<u>Facilities</u>	<u>Location</u>
Memorial Hermann Hospital (including Memorial Hermann Children's Hospital), a 908-bed acute care hospital	6411 Fannin Houston, Harris County
Memorial Hermann Southwest Hospital, a 600-bed acute care hospital	7600 Beechnut Houston, Harris County
Memorial Hermann Southeast Hospital, a 256-bed acute care hospital	11800 Astoria Boulevard Houston, Harris County
Memorial Hermann Northwest Hospital, a 177-bed acute care hospital	Loop 610 and Ella Boulevard Houston, Harris County
Memorial Hermann Memorial City Hospital, a 520-bed acute care hospital	290 Frostwood Houston, Harris County
Memorial Hermann The Woodlands Hospital, a 92-bed acute care hospital	9520 Pinecroft Drive The Woodlands, Montgomery County
Memorial Hermann Katy Hospital, a 103-bed acute care hospital	5602 Medical Center Drive Katy, Fort Bend County
Memorial Hermann Fort Bend Hospital, an 80-bed acute care hospital	3803 F.M. 1092 Missouri City, Fort Bend County
Memorial Hermann Rehabilitation Hospital, a 129-bed rehabilitation hospital	3043 Gessner Houston, Harris County

Memorial Hermann Spring Shadows Glen,  
a 176-bed mental health facility

2801 Gessner  
Houston, Harris County

Proposed inpatient and/or outpatient  
health care facilities

Highway 290 at F.M. 1960  
Harris County

The facilities are or are to be owned, operated, or managed by Memorial Hermann Hospital System, a Texas non-profit corporation, or (in the case of Memorial Hermann Rehabilitation Hospital and Memorial Hermann Spring Shadows Glen) its affiliate, Memorial Hermann Continuing Care Corporation, a Texas non-profit corporation.

The Bonds would be limited recourse obligations of the Issuer payable solely from the repayment of the loan of proceeds of such obligations to Memorial Hermann Hospital System or its affiliates and would not constitute a debt or obligation of Harris County, any of the other jurisdictions listed above, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Harris, Fort Bend, and Montgomery County Commissioners Courts and/or County Judges and/or the City Councils or Mayors of Missouri City and/or Katy, Texas, should approve the issuance of the Bonds and the use of proceeds for the purposes described above. Following the public hearing, a report concerning the hearing will be submitted to the approving governmental body or official, who may act on a request to approve the issuance of the Bonds and use of such proceeds for such purposes.

Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, Attention: Ann C. Jacobs, Esq.

HARRIS COUNTY HEALTH FACILITIES  
DEVELOPMENT CORPORATION

# FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

1301 MCKINNEY, SUITE 5100  
HOUSTON, TEXAS 77010-3095

HOUSTON  
WASHINGTON, D.C.  
AUSTIN  
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DALLAS  
NEW YORK  
LOS ANGELES  
MINNEAPOLIS  
LONDON  
HONG KONG

TELEPHONE: 713/651-5151  
FACSIMILE: 713/651-5246

FREDRIC A. WEBER  
PARTNER

INTERNET ADDRESS:  
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March 28, 2001

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FAW/mgv  
Enclosures  
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March 28, 2001  
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Houston, Harris County

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Loop 610 and Ella Boulevard  
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Memorial Hermann Memorial City Hospital,  
a 520-bed acute care hospital

290 Frostwood  
Houston, Harris County

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9520 Pinecroft Drive  
The Woodlands, Montgomery County

Memorial Hermann Katy Hospital,  
a 103-bed acute care hospital

5602 Medical Center Drive  
Katy, Fort Bend County

Memorial Hermann Fort Bend Hospital,  
an 80-bed acute care hospital

3803 F.M. 1092  
Missouri City, Fort Bend County

Memorial Hermann Rehabilitation Hospital,  
a 129-bed rehabilitation hospital

3043 Gessner  
Houston, Harris County

Memorial Hermann Spring Shadows Glen,  
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Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, Attention: Ann C. Jacobs, Esq.

HARRIS COUNTY HEALTH FACILITIES  
DEVELOPMENT CORPORATION



CERTIFICATE

THE STATE OF TEXAS  
COUNTY OF HARRIS  
MONTGOMERY COUNTY HOSPITAL DISTRICT

§  
§  
§

We, the undersigned officers of the Board of Directors (the "Board") of the Montgomery County Hospital District (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on April \_\_, 2001, at 200 Riverpoint Drive, Conroe, Texas, and the roll was called of the Board, to-wit:

- John Sallee, Chair
- Starlett Curry, Vice Chair
- Nicol Huff, Secretary
- Dr. Greg Hall, Treasurer
- Jack Mitchell
- Marie Wilcoxson
- Monte West

All members of the Board were present, except the following: \_\_\_\_\_, thus constituting a quorum. Whereupon among other business, the following was transacted at such meeting: A written

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE IMPROVEMENTS TO AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

AYES: \_\_\_\_ NOES: \_\_\_\_

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to this Certificate; such Resolution has been duly recorded in the Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_.

  
Secretary, Board of Directors

  
President, Board of Directors

(DISTRICT SEAL)

**MONTGOMERY COUNTY CARES  
IMPLEMENTATION RESOLUTION  
OF THE  
MONTGOMERY COUNTY HOSPITAL DISTRICT**

RESOLVED, that the District authorizes the Chief Administrative Officer to execute and implement a contract with Healthcare Administrative Services annexed hereto as Exhibit "A."

FURTHER RESOLVED that the District abolishes the Ad Hoc Committee on the Amended Indigent Care Agreement.

FURTHER RESOLVED that the District Board shall form an Ad Hoc Third-Party Administration Contract Oversight Committee which shall be separate and apart from other committees.

FURTHER RESOLVED that the District Board requests that the Chairman appoint Director Witt as the initial Chairman of the Ad Hoc Third-Party Administration Contract Oversight Committee and that he appoint at least two other Directors as members of such Committee before the conclusion of the September 28, 2004 Board Meeting.

Montgomery County Hospital District

By: \_\_\_\_\_ Date: 9/30/04  
Eric Yollack, Secretary

9/30/04

Montgomery County Cares - Implementation Resolution

RESOLVED, that the District authorizes the Chief Administrative Officer to execute and implement a contract with Healthcare Administrative Services annexed hereto as Exhibit "A."  
FURTHER RESOLVED that the District abolishes the Ad Hoc Committee on the Amended Indigent Care Agreement.  
FURTHER RESOLVED that the District Board shall form an Ad Hoc Third Party Administration Contract Oversight Committee which shall be separate and apart from other committees.  
FURTHER RESOLVED that the District Board requests that the Chairman appoint Director Witt as the initial Chairman of the Ad Hoc Third Party Administration Contract Oversight Committee and that he appoint at least two other Directors as members of such Committee before the conclusion of the September 28, 2004, Board meeting. .

Respectfully submitted,

David Witt  
Trustee, Precinct Three

Eric "Bulldog" Yollick  
Trustee, At Large Position Number One

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT PROVIDING FOR PROTECTON OF MONTGOMERY COUNTY HEALTHCARE FOUNDATION FUNDS FOLLOWING DISSOLUTION OF HEALTHCARE FOUNDATION**

WHEREAS, the Montgomery County Healthcare Foundation was created with a specific purpose following the sale of the Medical Center Hospital; and

WHEREAS, the purpose of the Foundation has since expired; and

WHEREAS, the Montgomery County Hospital District Board of Directors and the Foundation Board of Directors have approved resolutions to dissolve the Foundation; and

WHEREAS, following payment of all outstanding obligations, the remaining funds held by the Foundation will be transferred to MCHD; and

WHEREAS, the MCHD Board of Directors desires to protect the Foundation funds and to provide direction to future Directors regarding the uses of the Foundation funds transferred to the District;

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT, THAT:**

1. That the funds received from the Foundation (hereinafter referred to as the "Funds") be deposited in a designated interest bearing account (hereinafter referred to as the "Account") and/or invested in those instruments authorized by the Texas Public Funds Investment Act or as otherwise provided by law, and professionally managed so as to ensure the safety of the corpus of those Funds. Such account(s) shall be separate from those accounts holding the District's general operating funds and current reserve account funds.

2. That, unless otherwise provided by law, no future expenditure of the corpus of the Funds received from the Healthcare Foundation be made without a majority voice roll call vote of the Board of Directors directing the specific health care purposes for which such Funds should be expended, and the amount of Funds to be expended for such purposes, following a public hearing in which interested residents of the District have the opportunity to comment on such purposes and expenditures.

3. That the earnings from the Account holding the Funds be reinvested into the Account unless the Board of Directors, acting through a majority voice roll call vote,

*passed  
12/19/06*

agrees to utilize the earnings for a specific health related program for the indigent residents of the District, following a public hearing in which interested residents of the District have the opportunity to comment on such purposes and expenditures.

4. That, unless otherwise provided by law, this Resolution may only be amended or rescinded by a majority voice roll call vote of the Board of Directors present at a duly called meeting, and only after a public hearing that is posted and advertised at least once in a newspaper of general circulation in Montgomery County ten days in advance of the meeting.

**BE IT SO RESOLVED.**

Approved by the Board of Directors of the Montgomery County Hospital District this 19<sup>th</sup> day of December, 2006.

MONTGOMERY COUNTY HOSPITAL DISTRICT



\_\_\_\_\_  
David Witt, Chairman

Attest:



Francis Bourgeois, Board Secretary

RESOLUTION  
NATIONAL INCIDENT MANAGEMENT (NIMS)

WHEREAS, On February 28, 2003, the President issued Homeland Security Presidential Directive – 5 (HSPD-5) that directed the Department of Homeland Security, in cooperation with representatives of federal, state, and local government, to develop a National Incident Management System (NIMS) to provide a consistent approach to the effective management of situations involving natural disasters, man-made disasters or terrorism; and


WHEREAS, The final NIMS was released on March 1, 2004; and

WHEREAS, The NIMS contains a practice model for the accomplishment of the significant responsibilities associated with prevention, preparedness, response, recover, and mitigation of all major and national hazards situations; and

WHEREAS, The HSPD-5 requires that state and local governments adopt the NIMS by fiscal year 2005 as a pre-condition to the receipt of federal grants, contract and activities related to the management and preparedness for certain disaster and hazard situations; and

WHEREAS, The Montgomery County Hospital District desires to adopt the NIMS as required by HSPD-5.

NOW THEREFORE BE IT ORDERED, ADJUDGED AND DECREED that the Montgomery County Hospital District Board of Directors does hereby adopt the National Incident Management System.

  
\_\_\_\_\_  
David Witt, Chairman of the Board of Directors

Date

1/23/07

*Passed*

*1/23/07*

**Openness in Government Resolution #5: Money in the Minutes**

RESOLVED that the Planning and Development Committee recommends that the Bylaws of the District be amended to require that minutes of the District reflect the amount of money which each adopted action of the Board will cost, as declared (by certainty or by estimate) by the Chief Financial Officer at the Board meeting.

FURTHER RESOLVED that a new Section 10 shall be added to Article III of the Bylaws to read: "Minutes of the District shall reflect the amount of money which each adopted action of the Board will cost, as declared (by certainty or by estimate) by the Chief Financial Officer at the Board meeting."

Respectfully submitted,



---

Eric "Bulldog" Yollick  
Trustee  
At-Large Position Number One

(First Paragraph Recommended by PADCOM)

9/16/03

**BOARD RESOLUTION**  
**Operating Fund Surplus**

WHEREAS, MCHD policy requires that it budget to establish an operating fund surplus in the approximate amount of 25% of its annual budget to protect against unforeseen challenges;

WHEREAS, accounting guidelines recommend that governmental agencies such as MCHD establish an operating fund surplus in the minimum amount of approximately 15% to 20% of its annual budget;

WHEREAS, MCHD policy specifically permits MCHD to borrow funds from time to time as needed to fund its cash flow requirements so long as it repays those amounts during the current year's budgeted operations,

RESOLVED, that, MCHD shall request the Foundation to lend it such funds from time to time as will allow MCHD to maintain an operating fund cash reserve of not less than 20% of its annual budget.

Approved: \_\_\_\_\_  
Date

Secretary: \_\_\_\_\_  
Erick Yollick

11/23/04



**Proper Spokesman Resolution**

RESOLVED that counsel for the District is not authorized to make public statements on behalf of the District to the news media unless such statements are approved by the Board or by the Chief Executive Officer (Executive Director) in advance.

FURTHER RESOLVED that the general counsel shall not disclose matters upon which he has been asked to render legal opinions or matters which he anticipates rendering legal opinions to the District, unless the Board or the Chief Executive Officer (Executive Director) has approved such disclosure in advance.

Respectfully submitted,



---

Eric "Bulldog" Yollick  
Trustee  
At-Large Position Number One

Passed:

1/20/04

**Eric "Bulldog" Yollick**

---

**From:** <WmCLEigh@aol.com>  
**To:** <eric yollick@swbell.net>  
**Cc:** <jhamilton@mchd-tx.org>  
**Sent:** Monday, January 05, 2004 8:39 AM  
**Subject:** (no subject)

Eric-

Please add this to the agenda for the regularly scheduled meeting to be held, I believe, on Tuesday, 1/20.

"Resolved that the Montgomery County Hospital District,  
1. during the current fiscal year, shall provide medical services to only those inhabitants of Montgomery County that meet the currently existing income and other qualifications, including proving the legality of their residency in the County, and  
2. during the next six months, directs the Budget Committee to analyze the impact on the District's annual budget of providing medical services to those inhabitants of the County that cannot prove the legality of their residency but can otherwise qualify for District assistance."

Bill

Amendment passed 5-2

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT TO  
LIMIT THE EXPENDITURE OF TIME AND UNCOMPENSATED RESOURCES  
WHEN RESPONDING TO A PUBLIC INFORMATION REQUEST PURSUANT TO  
THE TEXAS GOVERNMENT CODE SECTION 552.275**

**WHEREAS**, the Montgomery County Hospital District is a government body as defined under the Texas Public Information Act which must comply with a request for public information; and

**WHEREAS**, the State of Texas has amended the Texas Public Information Act (Texas Government Code chapter 552, hereinafter the "Act") to add Section 552.275 that allows a public entity to charge a fee for the amount of time and resources spent on public information requests from the same individual during a 12 month period after a reasonable period of not less than 36 hours has been expended upon such request; and

**WHEREAS**, the Board of Directors desires to direct the District's Officer For Public Information under the Act, to take advantage of the protections afforded under the laws of the State of Texas, so as to save the District's taxpayers and the District from incurring unreasonable expenditures of staff time and uncompensated expenses in responding to unreasonable Public Information Act requests; and

**WHEREAS**, by this Resolution the Board of Directors seeks to amend, supersede, and or adopt any policies, rules, or internal guidelines consistent with the limits established under Texas Government Code Section 552.275;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval Of Recitals As Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption Of An Aggregate Time Limit For The Officer For Public Information To Respond To Requests For Public Information.** The Officer For Public Information under the Act, as well as his/her assistants are hereby directed to adopt, use, and follow all requirements of Texas Government Code Section 552.275 when responding to a request for Public Information. It is hereby established, that a reasonable limit on the amount of time that personnel of the Montgomery County Hospital District are required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor is a **total of 36 hours** for any particular requestor during the 12-month period that corresponds to the fiscal year of the District.

3. **Timekeeping Requirement.** The Officer For Public Information, as well as his/her assistants are hereby directed to track and record their time spent producing public information for inspection or duplication by a requestor. The Officer For Public Information, shall provide the requestor with a written statement of the amount of personnel time spent complying with that request and the cumulative amount of time spent complying with requests for public information to the District from that requestor during the applicable 12-month period. The amount of time spent preparing the written statement may not be included in the amount of time included in the statement provided to the requestor.
4. **Coordination of Timekeeping.** The Officer For Public Information as well as his/her assistants are hereby directed to coordinate their timekeeping records for purposes of establishing the aggregate amount of time spent in responding to a requestor's requests during each fiscal year of the District, so that an accurate account can be provided to the requestor of the aggregate time spent in responding to the requestor's requests for public information.
5. **Estimate Of Expenses.** If in connection with a request for public information, the cumulative amount of personnel time spent complying with requests for public information from the same requestor equals or exceeds the limit under Section 2 above, the Officer For Public Information shall provide the requestor with a written estimate of the total cost, including materials, personnel time, and overhead expenses, necessary to comply with the request. The written estimate must be provided to the requestor on or before the 10th day after the date on which the public information was requested. The amount of this charge relating to the cost of locating, compiling, and producing the public information shall be established by rules prescribed by the Attorney General under Sections 552.262(a) and (b). If the Officer For Public Information determines that additional time is required to prepare the written estimate under Subsection 552.275(e) and provides the requestor with a written statement of that determination, the Officer For Public Information shall provide the written statement under that subsection as soon as practicable, but on or before the 10th day after the date the Officer For Public Information provided the statement under Subsection 552.275(f).
6. **Written Response From Requestor.** The officer for public information is not required to produce public information for inspection or duplication or to provide copies of public information in response to the requestor's request unless on or before the 10th day after the date the officer for public information provides the written statement under subsection 552.275(e), the requestor submits a statement in writing to the officer for public information in which the requestor commits to pay the lesser of:

(a) the actual costs incurred in complying with the requestor's request, including the cost of materials and personnel time and overhead; or

(b) the amount stated in the written statement provided under Subsection 552.275(e).

If the requestor fails or refuses to submit the written statement under subsection 552.275(g) the requestor is considered to have withdrawn the requestor's pending request for public information.

7. **Previous Policies Not Consistent With This Resolution Are Revoked.** Any previous policies or guidelines concerning the District's response to a request for public information which conflict with this Resolution are hereby amended or revoked to conform to this Resolution.
8. **Compliance With Section 552.275 of the Act.** Any provisions of this Resolution that are found to be in conflict with Section 552.275 of the Act, or any future amendments thereto, shall be superseded and replaced by the applicable provisions of Section 552.275 of the Act.

**BE IT SO RESOLVED.**

Passed and Approved this 29<sup>th</sup> day of May, 2013, by a vote of \_\_\_\_\_  
in favor and 7 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Kenn Fawn  
Kenn Fawn, Chairman

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary



To: MCHD Board  
From: William C. Leigh  
Subject: Policy regarding public participation at Board Meetings

Date: July 9, 2003

**RESOLVED**

Audience participation at a Board meeting shall be limited to the portion of the meeting designated for that purpose. At all other times during the Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board unless recognized by the Board's presiding officer.

Persons wishing to participate in this portion of the meeting shall submit their request to do so in a signed writing (see below) to the Board's presiding officer (or its designee) no later than 5 minutes prior to the scheduled commencement time of the meeting on the day of the meeting. Each such signed notice shall indicate the topic about which the individual wishes to speak.

No individual presentation shall exceed 3 minutes in length. Individuals shall be recognized in the chronological order their written notifications are received by the presiding officer.

Only specific factual information or recitation of existing Board policy may be furnished by the Board in response to inquiries made during the public comment portion of the Board meeting. Board members shall not question or respond to speakers, nor shall they deliberate or decide any subject that is not included in the agenda posted with notice of the meeting. The Board shall only deliberate or decide a subject at the point in the agenda scheduled for that subject.

The Board shall not tolerate any disruption caused by members of the audience. If, after at least one warning from the Board's presiding officer, any person continues to disrupt the meeting by her/his words or actions, the presiding officer shall request assistance from law enforcement officer(s) to have the person removed from the meeting.

7/15/03

STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS RE-ADOPTING THE DISTRICT'S PURCHASING POLICY**

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has previously adopted a Purchasing Policy for guidance and accountability concerning purchases by the District; and

**WHEREAS**, the Montgomery County Hospital District has continually updated and amended the District's Purchasing Policy to reflect best accounting practices and transparency in purchasing; and

**WHEREAS**, the Montgomery County Hospital District is required to re-adopt the Purchasing Policy every two years to comply with audit requirements and to provide for continued transparency, guidance, and accountability of the District's purchases; and

**WHEREAS**, by this Resolution the Board of Directors seeks to re-adopt the Purchasing Policy so as to address the foregoing matters;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of Existing Purchasing Policy.** The Purchasing Policy attached hereto is adopted and to be placed in effect immediately until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

11/22/11



**BE IT SO RESOLVED.**

Passed and Approved this 23 day of NOVEMBER, 2010.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT**

By: Georgette Whatley  
Georgette Whatley, Chairman

Attest:

Sandra Wagner  
Board Secretary

STATE OF TEXAS                    §  
   §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS AMENDING THE CURRENT PURCHASING POLICY TO PROVIDE FOR UPDATED CHARGE CARD PROCUREMENT ALTERNATIVES**

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has previously adopted a Purchasing Policy for guidance and accountability concerning purchases by the District; and

**WHEREAS**, the Montgomery County Hospital District's enabling legislation allows the Board of Directors to promulgate a Purchasing Policy, which it is free to amend from time to time at its discretion; and

**WHEREAS**, the Montgomery County Hospital District has recently applied for and been accepted to participate in a charge card program offered through the Texas Comptroller's Texas Procurement and Support Services Program; and

**WHEREAS**, the Board of Directors has determined that the addition of this charge card program is in the best interest of the District to provide enhanced accountability, tracking, and payment options for vendor purchases; and

**WHEREAS**, by this Resolution the Board of Directors seeks to amend the Purchasing Policy so as to address the foregoing matters;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Amendment of Purchasing Policy.** The Purchasing Policy amendment attached hereto is adopted and to be placed in effect immediately until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

**BE IT SO RESOLVED.**

Passed and Approved this 17<sup>th</sup> day of June, 2008.

6/12/08

3. **Previous policies not consistent with this resolution are revoked.** Any previous policies or guidelines concerning Montgomery County Hospital District's response to a request for public information which conflicts with this resolution are hereby amended or revoked to conform to this resolution.

**BE IT SO RESOLVED.**

Passed and Approved this 15<sup>th</sup> day of January, 2008, by a vote of 7  
in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Francis Bourgeois  
Francis Bourgeois, Chairman

Attest:

Denise Wagner  
Board Secretary

## **Amendment to Montgomery County Hospital District Purchasing Policy Chapter 4**

Amending Chapter "4" to include a new paragraph "D" as follows:

### **D. Credit Card and Charge Card Program**

1. The Chief Executive Officer may authorize the use of a Credit Card or Charge Card program based upon the Texas Comptroller's Texas Procurement and Support Services Program (TPASS). The Chief Executive Officer shall have discretion to use other charge card or credit card programs which offers similar restrictions, controls, and advantages as the Texas Comptroller's Texas Procurement and Support Services Program. The use of a credit card or charge card, authorized under this policy, by any District personnel does not alter or change any other existing purchasing policies.

STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY   §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS RE-ADOPTING THE DISTRICT'S PURCHASING POLICY INCLUDING REVISIONS MADE THERETO AS A RESULT OF ACTS OF THE 82<sup>ND</sup> TEXAS LEGISLATURE**

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has previously adopted a Purchasing Policy for guidance and accountability concerning purchases by the District; and

**WHEREAS**, the Montgomery County Hospital District has continually updated and amended the District's Purchasing Policy to reflect best accounting practices and transparency in purchasing; and

**WHEREAS**, the Montgomery County Hospital District is required to re-adopt the Purchasing Policy every two years to comply with audit requirements and to provide for continued transparency, guidance, and accountability of the District's purchases; and

**WHEREAS**, the 82<sup>nd</sup> Texas Legislature made certain changes to the laws applicable to construction of public works by local governments, necessitating changes to the District's purchasing policy; and

**WHEREAS**, by this Resolution the Board of Directors seeks to re-adopt the Purchasing Policy, as amended, so as to address the foregoing matters;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of Existing Purchasing Policy.** The Purchasing Policy attached hereto as "EXHIBIT A" is adopted and to be placed in effect immediately until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

**BE IT SO RESOLVED.**

Passed and Approved this 22 day of May, 2012.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT**

By: Georgette Whatley  
Georgette Whatley, Chairman

Attest:

Debra Wagner  
Board Secretary

**Exhibit A**  
**MCHD Purchasing Policy**

## **Amendment to Montgomery County Hospital District Purchasing Policy Chapter IV**

Amending Chapter "IV" to include a new paragraph "D" as follows:

### **D. Credit Card and Charge Card Program**

1. The Chief Executive Officer may authorize the use of a Credit Card or Charge Card program based upon the Texas Comptroller's Texas Procurement and Support Services Program (TPASS). The Chief Executive Officer shall have discretion to use other charge card or credit card programs which offers similar restrictions, controls, and advantages as the Texas Comptroller's Texas Procurement and Support Services Program. The use of a credit card or charge card, authorized under this policy, by any District personnel does not alter or change any other existing purchasing policies.



**Records Retention Policy Resolution**

RESOLVED that the Records Retention Policy is amended to state in Section 5: "The Executive Director shall appoint a Records Management Officer for the Hospital District who shall provide a records management report to the Board at the Board's regular October meeting. As provided by state law, each successive holder of the office shall file his or her name with the director and librarian of the Texas State Library within thirty days of the initial designation or of taking up the office, as applicable."

Respectfully submitted,



---

Eric "Bulldog" Yollick  
Trustee  
At-Large Position Number One

(Recommended by PADCOM)

9/16/03

Agenda #8  
Item  
BOD  
1/20/04

THOMAS HUDSON & BRUSTKERN, LLP  
ATTORNEYS AT LAW

3305 NORTHLAND DRIVE, SUITE 301  
AUSTIN, TEXAS 78731  
512.467.6076 \* FAX 512.467.6550

January 15, 2004

Mr. Jim Hamilton  
Montgomery County Hospital District  
P.O. Box 478  
Conroe, Texas 77305

*Via E-mail*

Re: Selection of Real Estate Appraiser

Dear Mr. Hamilton:

You have inquired as to the method by which MCHD may procure the services of a real estate appraiser.

The Professional Services Procurement Act, Tex. Gov't Code §§2254.001 *et seq.* ("PSPA") sets forth the method a political subdivision such as MCHD must use when selecting a provider of professional services with whom to contract. Real estate appraisal services are defined as professional services under the PSPA, Tex. Gov't Code §254.002(2)(A)(viii), and MCHD contracts for such services are thus subject to the requirements of the PSPA.

To obtain professional services such as real estate appraisal, a political subdivision must issue a request for qualifications, and make the selection and award "on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price." Tex. Gov't Code §254.003(a). The fees charged by the professional must be "consistent with and not higher than the recommended practices and fees published by the applicable professional associations and may not exceed any maximum provided by law." Tex. Gov't Code §254.003(b).

The Attorney General has found the PSPA does "not merely permit the consideration by the [District] of the fees charged for certain professional services, but require[s] it." Tex. Atty. Gen. Op. No. JM-457, p.4 (March 24, 1986); *see also* Tex. Atty. Gen. Op. No. JC-0521, p. 7 (June 28, 2002) (PSPA "necessarily implies the authority to assess a professional's competence and qualifications and the fairness and reasonableness of the offering price") (emphasis added).

As the Attorney General has opined, the PSPA "does not contemplate a bifurcated process," wherein a political subdivision would select a professional and then negotiate price. Tex. Atty. Gen. Op. No. JM-457, p.4. Instead, the act requires political subdivisions to award contracts for professional services in a one-step process to a professional who is selected on the basis of demonstrated competence and qualifications for the types of professional services to be

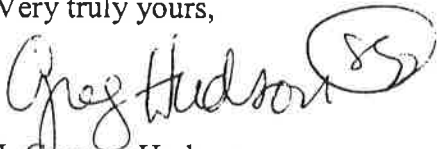
performed and at fair and reasonable prices. *Id.* Thus, while the PSPA prohibits awarding a contract for certain professional services on the basis of competitive bids, "fees must be one factor considered by any agency in awarding a contract for professional services; [but] cannot be the only factor to be considered." *Id.*; *see also* Tex. Atty. Gen. Op. No. JM-155, p. 2 (May 9, 1984) (same).

Based on the Attorney General's guidance, MCHD is authorized, and indeed, required, to consider price in awarding a contract for professional real estate appraisal services, and the price should be consistent with recommended industry pricing as set forth in the PSPA. However, MCHD may not award the contract based solely on the offered price.

This letter is intended to respond only to the specific situation presented to us and its application is limited to the facts and documents supplied. Where the facts are different from those we considered, the application of the law to those facts may result in a different answer. While we believe our interpretation is correct, courts have not ruled on all the issues presented; therefore, we cannot predict with certainty what result a court would reach. Finally, the legal opinion(s) expressed herein should not be relied upon for other purposes or by any third parties.

Please let us know if you have any further questions.

Very truly yours,

A handwritten signature in cursive script that reads "Greg Hudson". To the right of the signature, the initials "JGH" are circled in a hand-drawn circle.

J. Gregory Hudson

**DRAFT**

**MONTGOMERY COUNTY HOSPITAL DISTRICT  
REQUEST FOR QUALIFICATIONS  
RIVERPOINTE BUILDING APPRAISAL**

**INSTRUCTIONS TO PROPOSERS**

**I. INTRODUCTIONS**

The Montgomery County Hospital District of Montgomery County, Texas (MCHD) is seeking qualifications, pursuant to Chapter 2254 of the Texas Government Code (Professional Services Procurement Act) from qualified proposers (Proposer) to provide a real estate appraisal for MCHD's 200 Riverpointe Drive building in Conroe, Texas, which contains approximately 60,000 square feet of leasable space.

**II. QUALIFICATION CONTENT**

Responses to this Request for Qualifications (RFQ) must be submitted in a sealed envelope, properly delivered as of the date and time set forth herein. Qualifications not received by the deadline will not be considered, and will be returned unopened. Qualified responses to this RFQ must not exceed twenty (20) pages in length, and must contain the following:

- A. Detailed qualifications of the Proposer and any employees or other agents who may perform services pursuant to Proposer's qualification.
- B. A list, containing no less than five (5) nor more than ten (10) clients for whom Proposer has undertaken commercial real estate appraisal responsibilities. The list should contain a contact person for each project, including name, address and telephone number for each client.
- C. The anticipated fee estimate for the appraisal envisioned in the qualification together with a description of any contingencies that would increase or decrease such fee estimate.
- D. A description of how disputes between Proposer and MCHD will be resolved.

**III. ELIGIBILITY FOR AWARD**

- A. In order for a Proposer to be eligible for consideration, the submitted qualifications must be (i) responsive to the solicitation and (ii) MCHD must be able to determine the Proposer has demonstrated competence and qualifications to perform the appraisal services.
  - 1. Responsive qualifications comply with all material aspects of the solicitation made in this RFQ. Qualifications that do not comply with all conditions of the solicitation will be rejected as non-responsive.
  - 2. A Responsible Proposer must, at a minimum:
    - a. Be qualified as an established firm or individual regularly engaged in the provision of commercial real estate appraisal services;
    - b. Be licensed to do business in the State of Texas;
    - c. Have adequate financial resources, or ability to obtain such resources, as required for the performance of the Appraisal Contract;
    - d. Have a satisfactory record of past performance;
    - e. Certify it is not on the General Services Administration's lists of parties excluded from Federal Procurement or Nonprocurement Programs. Signing and submitting the qualification shall be construed by MCHD as such certification;

# DRAFT

*Riverpointe Building Appraisal  
Request for Qualifications  
Instructions to Proposers*

- f. Be otherwise qualified and eligible to receive an award under applicable laws and regulations;
  - g. Certify it is an Equal Opportunity Employer;
  - h. Include a proposed contract for Appraisal Services, outlining the terms and conditions for Proposer to provide such services on MCHD's behalf.
- B. The Proposer may be requested to submit written evidence verifying the Proposer meets the minimum criteria necessary to be determined a Responsible Proposer. Refusal to provide the requested information will result in the Proposer being declared non-responsible and having the qualification rejected.

## IV. OTHER IMPORTANT INFORMATION

### A. Questions Regarding this RFQ

Please direct your questions or requests for additional information regarding the program envisioned in this RFQ to Jim Hamilton, Chief Executive Officer at (936) 539-1160, or you may fax your questions to (936) 539-1166. Office hours are 8:00 a.m. to 4:30 p.m. Central Time.

### B. Taxes

MCHD is a political subdivision of the State of Texas and is exempt from payment of Federal Excise and Transportation Tax, as well as the Texas Limited Sales, Excise and Use Tax. Fee proposals submitted should not contain assessments of any of these taxes.

### C. Qualification Evaluation Schedule --

- 1. Release of RFQ \_\_\_\_\_
- 2. Qualification due \_\_\_\_\_
- 3. Evaluation \_\_\_\_\_
- 4. Award of Appraisal Contract \_\_\_\_\_
- 5. Commencement of Appraisal Contract \_\_\_\_\_

## V. AWARD OF APPRAISAL CONTRACT

- A. The Appraisal Contract may be awarded to that Responsible Proposer whose response conforms to this solicitation and is determined to be the most advantageous to MCHD, considering demonstrated competence and qualifications to perform the services for a fair and reasonable price.
- B. Within forty-five (45) days after the date of the opening of the qualifications, MCHD may, but is not obligated to, award a contract for the Appraisal Services, whether or not there are negotiations subsequent to its receipt, unless the qualification is withdrawn by written notice received by MCHD prior to the award.
- C. MCHD may, but is not obligated to, award the Appraisal Contract based on the initial qualifications received from a Proposer without further discussion of such qualifications. Accordingly, each initial response should fully and completely outline the qualifications of the firm and/or person seeking an award of the Appraisal Contract.

# DRAFT

*Riverpointe Building Appraisal  
Request for Qualifications  
Instructions to Proposers*

- D. MCHD reserves the right to:
1. Reject any and all qualifications and to waive informalities in qualifications received,
  2. Accept other than the lowest priced fee estimate (see ch. 2254, Texas Government Code),
  3. Cancel the entire solicitation,
  4. Issue subsequent requests for qualification, or
  5. Negotiate with all Proposers who have demonstrated they are qualified and have proposed a fair and reasonable price (See sec. VI.C.1 below).
- E. If the Proposer considers any of the terms or conditions of the solicitation (including the proposed Appraisal Contract) to be unacceptable, the Proposer should identify the objectionable terms or conditions, and cite reasons therefore in a supplement to its cover letter. Any such exceptions or revisions, and the reasons therefore, will be considered as factors in evaluating the qualifications.

## VI. QUALIFICATION EVALUATION PROCESS

While the ultimate decision regarding the selection of the successful professional and/or firm will rest with the MCHD Board of Directors, the overall evaluation process will be performed by a committee made up of MCHD staff, including the Chief Executive Officer. All qualifications will be evaluated by MCHD's Chief Executive Officer, who will report his findings to the evaluation committee. The qualifications will be evaluated using the criteria set forth below. The relative importance of each factor is also listed.

- A. Understanding of the Services Requested MOST IMPORTANT
1. Is the Proposer's understanding of the project including services requested, risks attendant thereto, administrative and policy needs of MCHD, as well as other elements of this unique project, adequate to ensure successful implementation and operation of this program?
  2. Does the Proposer express a clear understanding of the scope of the requirements of a proposed Appraisal Contract?
  3. Has the proposer demonstrated competence and qualifications to perform the Appraisal Services?
- B. Qualification and Experience of the Proposer VERY IMPORTANT
1. Does the Proposer have a record of accomplishment in providing similar services to other clients from the standpoint of costs, quality of services and ability to meet goals and objectives?
  2. Does the Proposer have in place insurance in amounts sufficient to cover any damages arising from any claims, disputes, or other causes of action arising from or as a result of services provided by Proposer as described herein?

# DRAFT

Riverpointe Building Appraisal  
Request for Qualifications  
Instructions to Proposers

## C. Administrative Plan

IMPORTANT

1. Is the Proposer's proposed cost fair and reasonable, such that it is consistent with and not higher than the recommended practices and fees published by the applicable professional associations, and does not exceed any maximum provided by law?
2. Is the Proposer's method of billing consistent with the needs of MCHD?
3. Is the Proposer's dispute resolution plan acceptable?

## VII. SELECTION

The top three (3) Proposers evaluated by the Committee may be asked to make a thirty (30) minute oral presentation of their written qualifications and fair and reasonable prices to the Committee or MCHD Board of Directors.

## VIII. LATE QUALIFICATIONS; MODIFICATIONS or WITHDRAWAL of QUALIFICATIONS; TELEGRAPHIC QUALIFICATIONS

- A. Any qualification or modification of qualification received at the MCHD office after the exact time specified for receipt will not be considered. **Qualifications not received by the submittal deadline will be returned unopened and will not be considered.**
- B. A qualification may be withdrawn in person by a Proposer or his authorized representative, provided their identity is made known and they sign a receipt for the qualification, but only if the withdrawal is made prior to award of the Appraisal Contract.
- C. Modifications of qualifications already submitted will be considered if received by the MCHD office prior to the exact time set for receipt of qualifications. **Modifications to previously submitted qualifications shall be submitted in a sealed envelope prior to the submittal deadline, and shall be labeled so as to reference the original qualification submitted by the Proposer.**
- D. Telegraphic or facsimile transmitted qualifications are not authorized and will not be accepted or reviewed.

## IX. SUBMITTAL INFORMATION

- A. Qualifications are due no later than 4:30 p.m. Central Time on \_\_\_\_\_, 2004. Qualifications received after this time will not be considered and will be returned unopened.
- B. Submit qualifications to:
  1. If by mail:

Jim Hamilton  
Chief Executive Officer  
P.O. Box 478  
Conroe, TX 77305

**DRAFT**

[Newspaper Notice]

**Montgomery County Hospital District  
Request For Qualifications for  
Appraisal Services For Riverpointe Building**

The Montgomery County Hospital District (MCHD) is seeking qualifications from all qualified companies and/or individuals interested in providing real estate appraisal services for the 60,000 square foot MCHD-owned building located at 200 Riverpointe Drive, Conroe, Texas. Sealed qualifications must be received by 4:30 p.m. on \_\_\_\_\_, 2004. Qualifications will be received (1) by mail directed to Jim Hamilton, Chief Executive Officer, MCHD, P.O. Box 478, Conroe, TX 77305; or (2) in person directed to Jim Hamilton, Chief Executive Officer, MCHD, 200 Riverpointe, Suite 312, Conroe, TX 77304. The Request for Qualifications can be obtained from MCHD by calling \_\_\_\_\_, Public Information Officer at (936) 539-1160, Monday through Friday, 8:30 a.m. to 4:30 p.m., or visiting the MCHD office at the Riverpointe Drive address above. MCHD is an equal opportunity institution, which does not discriminate on the basis of race, religion, national origin, gender, age or disability.



State of Texas           §  
                                  §  
County of Montgomery   §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL  
DISTRICT SUPPORTING ITS PARTICIPATION IN THE REGIONAL  
HEALTH PARTNERSHIP IN THE BRAZOS VALLEY REGION  
CURRENTLY KNOWN AS "EIGHT EAST"**

WHEREAS, the State of Texas through a Section 1115 Medicaid waiver is approved by the federal government to allow state and local communities the opportunity to draw down additional federal funds designated for health care when there are currently unused funds due to lack of a local match; and,

WHEREAS, the State of Texas proposes that Regional Health Partnerships be created to develop Regional Health Plans that outline the means by which various aspects of public health care planning and provision of services be carried out within the region; and,

WHEREAS, the boundaries of those counties and hospital districts wishing to join need to be finalized by March 31, 2012; and,

WHEREAS, the Montgomery County Hospital District provides health care services to the needy residents of Montgomery County, Texas; and,

WHEREAS, the Montgomery County Hospital District has been informed through various communication efforts as well as having the opportunity to attend a regional meeting conducted by the Texas A&M Health Science Center hosted at the Brazos Valley Council of Governments on March 14, 2012; and,

WHEREAS, the proposal offered at the March 14, 2012 meeting included Texas A&M University System Health Science Center being named as the anchor under the state definition with the Brazos Valley Council of Government providing fiscal oversight and management; and,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. The Montgomery County Hospital District supports the formation of the Brazos Valley Regional Health Partnership currently known as "Eight East (RHP 8-East)."
2. The Montgomery County Hospital District authorizes its Board Chairman, Georgette Whatley to sign a letter stating the District's intention to join the Regional Health Partnership currently known as "8-East."

3. In the letter of support the Montgomery County Hospital District recognizes Texas A&M University System Health Science Center being named as the anchor institution under the state definition with the Brazos Valley Council of Governments being the fiscal agent.
4. The Montgomery County Hospital District recognizes that this Resolution does not bind the District to any monetary contribution at this time. But the District also recognizes that through the planning process the District will have the opportunity to plan for the use of funding for the planning and provision of health care services in the county and region in accordance with the Regional Health Plan currently known as "8-East."
5. The Montgomery County Hospital District authorizes its staff to take any and all action necessary to implement this Resolution.

**BE IT SO RESOLVED.**

PASSED AND APPROVED THIS 22 DAY OF MARCH, 2012.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT**

By: Georgette Whatley  
Georgette Whatley, Chairman

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary



**David K. Walker**  
**County Attorney**  
**Montgomery County**

**207 West Phillips**  
**Suite# 100**  
**Conroe, Texas 77301**

**936/539-7828**  
**Fax 936/760-6920**

April 10, 2012

Ms. Penny Wilson  
MCHD  
1400 S. Loop 336 West  
Conroe, Texas 77304

Re: Resolution Supporting The Creation Of A Regional Healthcare Partnership

Dear Ms. Wilson:

Enclosed for your files is a certified copy of the Resolution Supporting The Creation Of A Regional Healthcare Partnership Currently Known As "Eight East" Containing the Montgomery County Hospital District.

The Contract was approved and executed by the Commissioners Court on April 9, 2012.

Yours very truly,

*Aimie Kemp*

Aimie Kemp  
Legal Assistant

Enclosures

STATE OF TEXAS

§  
§  
§

#20  
19B

COUNTY OF MONTGOMERY

APR 09 2012

A RESOLUTION OF THE MONTGOMERY COUNTY COMMISSIONERS COURT SUPPORTING THE CREATION OF A REGIONAL HEALTHCARE PARTNERSHIP CURRENTLY KNOWN AS "EIGHT EAST" CONTAINING THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, the state of Texas through a Section 1115 Medicaid waiver is approved by the federal government to allow state and local communities the opportunity to draw down additional federal funds designated for health care when there are currently unused funds due to lack of a local match; and,

WHEREAS, the state of Texas proposes that Regional Healthcare Partnerships be created to develop Regional Health plans that outline the means by which various aspects of public health care planning and provision of services be carried out; and,

WHEREAS, boundaries of those counties and hospital districts wishing to join a Regional Healthcare Partnership need to be finalized by April 30, 2012; and,

WHEREAS, the Montgomery County Hospital District provides indigent healthcare services to qualified residents of Montgomery County; and

WHEREAS, the Commissioners Court has been informed of Montgomery County Hospital District's desire to join the Regional Healthcare Partnership known as "Eight East", such Regional Healthcare Partnership including Texas A&M University System Health Science Center as the anchor under the state definition with the Brazos Valley Council of Government providing fiscal oversight and management; and,

WHEREAS, the Montgomery County Hospital District seeks a resolution of support from the Commissioners Court of its joinder to the Regional Healthcare Partnership known as "Eight East", such Regional Healthcare Partnership including Texas A&M University System Health Science Center as the anchor under the state definition with the Brazos Valley Council of Government providing fiscal oversight and management.

**NOW THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY COMMISSIONERS COURT THAT:**

1. The Commissioners Court supports the formation of the Brazos Valley Regional Healthcare Partnership currently known as "Eight East (RHP 8-East)."
2. The Commissioners Court supports the joinder of Montgomery County Hospital District in RHP 8-East, such Regional Healthcare Partnership including Texas A&M University System Health Science Center as the anchor under the state definition with the Brazos Valley Council of Government providing fiscal oversight and management.

I hereby certify that this is a true and correct copy of the original record on file in my office.



Mark Turnbull, County Clerk  
Montgomery County, Texas

Deputy

Issued by APR 10 2

3. The Commissioners Court authorizes the County Judge to provide a letter of support, along with this Resolution to the State of Texas, the Texas A&M University System Health Science Center and the Brazos Valley Council of Governments. Such letter of support shall recognize the Texas A&M University System Health Science Center being named as the anchor institution under the state definition with the Brazos Valley Council of Governments being the fiscal agent.
4. The Commissioners Court authorizes County staff to take any and all action necessary to implement this Resolution.

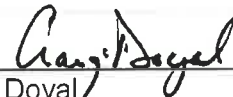
PASSED AND APPROVED THIS 9<sup>th</sup> DAY OF APRIL, 2012.



Alan B. Sadler  
County Judge



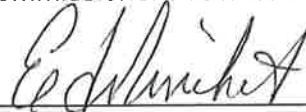
Mike Meador  
Commissioner Precinct 1



Craig Doyal  
Commissioner Precinct 2

absent

Ed Chance  
Commissioner Precinct 3



Ed Rinehart  
Commissioner Precinct 4

I hereby certify that this is a true and correct copy of the original record on file in my office.



Mark Turnbull, County Clerk  
Montgomery County, Texas

by  Deputy

APR 10 2012

Attest:



Mark Turnbull  
County Clerk



STATE OF TEXAS §

COUNTY OF MONTGOMERY §

**A RESOLUTION PROVIDING FOR A PENALTY TO DEFRAY COSTS OF COLLECTING DELINQUENT PROPERTY TAXES PURSUANT TO TEXAS TAX CODE SECTIONS 33.07 AND 33.08**

WHEREAS, It has been and remains the longstanding policy of the Montgomery County Hospital District that the expenses of collecting delinquent taxes owed to the District should not constitute an unfair burden on the general revenue and on the taxpayers who pay on time, and should be borne instead by the delinquent properties and their owners who are responsible for causing such expenses, and

WHEREAS, the Montgomery County Hospital District, Board of Directors, is authorized by the provisions of Sections 33.07 and 33.08 of the Texas Property Tax Code to impose an additional penalty to defray the costs of collecting delinquent taxes due to the District, and

WHEREAS, the provisions of Section 6.30 of the Texas Property Tax Code have been complied with and an additional penalty of 20% of all delinquent taxes, penalties and interest due and unpaid as of July 1, 2003 to \_\_\_\_\_ is appropriate and needed to defray the delinquent tax collection cost;

NOW THEREFORE BE IT RESOLVED by the Board of Directors that the Montgomery County Hospital District adopts and ratifies the additional twenty (20%) percent penalties to defray the costs of collection of delinquent taxes, as authorized by Texas Tax Code, Sections 33.07 and 33.08 and under preceding Texas law, for the 2002 tax year, and for each succeeding year thereafter.

Passed and approved this the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
President

Attested:

\_\_\_\_\_  
Board Secretary



**MONTGOMERY COUNTY**  
OFFICE OF  
**TAX ASSESSOR AND COLLECTOR**  
400 N. SAN JACINTO  
CONROE, TEXAS 77301

TAX COLLECTION 936-539-7897  
ACCOUNTING 936-539-7809  
AUTO LICENSE DEPT. 936-539-7896

**J.R. MOORE, JR.**  
TAX ASSESSOR AND COLLECTOR

April 10, 2003

To: All Taxing Jurisdictions

From: J. R. Moore, Jr.

RE: CHANGES TO SECTION 6:30(c) OF THE STATE PROPERTY TAX CODE THAT  
ALLOWS TAXING ENTITIES TO PROVIDE FOR A PENALTY ON TAXES THAT  
REMAIN DELINQUENT ON JULY 1 OF THE YEAR IN WHICH THEY BECOME  
DELINQUENT TO DEFRAY COST OF COLLECTIONS. THE CHANGE IS FROM 15%  
TO 20%

Dear Governing Body,

On April 7, 2003 the County changed the percent that delinquent taxpayers will be charged a penalty for non-payment of their taxes. This penalty is commonly called "attorney fees". Law firms that contract with taxing entities get paid by collecting the delinquent taxes owed. Their payment is added to the amount owed and not paid until collected. This keeps taxing entities from losing the funds originally levied and from having to pay "in-house" salaries to force collections of taxes owed.

The law firms representing taxing entities that the County collects for have done an excellent job working with my office. Since 1987 (sixteen years) they have been compensated with a 15% penalty added to the taxes owed and paid when the taxes are collected. A 5% increase is not unreasonable. Just ten (10) years ago the percent of the County's levy represented by delinquent taxes owed was 20.5%. It is now 9.5%. This is an overall 11% gain in delinquent tax collections which in turn helped to increase current tax collections. The law firms have a local office and personnel that constantly assist my office and taxpayers by administering contacts, by generating and paying for required notices, and by purchasing some of my equipment. They are "key players" in my tax collection program.

I have enclosed an amendment to your existing contract with the County. Section IV. of your current contract needs to be amended in order to increase the penalty. Consistency is what my office needs. We represent 62 taxing entities and if all taxing entities use the same percentages it is much easier to maintain consolidated record keeping, billing, and to answer inquiries concerning how much is owed. If all taxing entities use the same percentages it will eliminate sending separate notices required by Section 33.07 of the Tax Code.

**Please take action on or before May 9<sup>th</sup> and return the original Amendment to me on or before May 12<sup>th</sup>. The attorneys will be preparing the required 33.07 Notice of Delinquent Taxes from tapes my office must generate for them in order to meet the statutory required notice time frame.**

Should you have any questions regarding this issue or wish to remain at the current 15% please contact me at 936/760-6934.

Sincerely,



J. R. Moore, Jr.

cc: County Judge and Commissioners  
Jim Blair - Linebarger, Goggan, Blair & Sampson  
Robert Mott - Perdue, Brandon, Fielder, Collins & Mott  
Dylan Wood - Ray, Wood and Bonilla



AMENDMENT TO CONTRACT

BY AND BETWEEN

MONTGOMERY COUNTY

AND

Montgomery County Hospital District

WHEREAS, the above Taxing Entities have previously entered into an Interlocal Agreement for Collection Services; and

WHEREAS, the Taxing Entities agree to amend Section IV of the Interlocal Agreement, paragraph two, to read "twenty percent (20%)" instead of the current "fifteen percent (15%)";

NOW THEREFORE, be it resolved and passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2003, in Montgomery County, Texas.

Entity: Montgomery County Hospital District

By: \_\_\_\_\_

Title: \_\_\_\_\_

Montgomery County

By: \_\_\_\_\_

Title: \_\_\_\_\_

Reviewed and Approved

\_\_\_\_\_  
J. R. Moore, Jr.  
Tax Assessor-Collector  
Montgomery County

STATE OF TEXAS

§  
§  
§

COUNTY OF MONTGOMERY

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S  
BOARD OF DIRECTORS IN SUPPORT OF THE COMMITTEE SUBSTITUTE  
TO SB 397**

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District (hereinafter "MCHD") previously opposed SB 397, communicating its opposition to the District's legislative delegation; and

**WHEREAS**, a proposed committee substitute to SB 397 has been shared with the MCHD and the MCHD has found that the committee substitute addresses MCHD's prior concerns; and

**WHEREAS**, MCHD is in full support of continued growth and development in Montgomery County, including the addition of "venues" as outlined in the committee substitute; and

**WHEREAS**, by this Resolution the Board of Directors of the MCHD seeks to express its **support** of the committee substitute to SB 397; and

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. The MCHD Board of Directors, acting in its official capacity, does hereby express its support of the committee substitute for SB 397 for the reasons set forth in the recitals set forth above.
2. This Resolution was discussed and officially acted upon in a duly called meeting of the MCHD held on May 9, 2011.

**BE IT SO RESOLVED.**

Passed and Approved this 9<sup>th</sup> day of May, 2011, by a vote of 6  
in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Georgette Whatley  
Georgette Whatley, Chairperson

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE RENOVATIONS OF, IMPROVEMENTS TO, AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR ST. LUKE'S COMMUNITY MEDICAL CENTER - THE WOODLANDS**

WHEREAS, the Harris County Health Facilities Development Corporation (the "HCHFDC") has been requested to issue its bonds, in one or more series, to finance renovations of, additions to, and the acquisition of capital equipment for St. Luke's Community Medical Center - The Woodlands (the "Health Facilities") and, through the loan of proceeds of such bonds, to cause St. Luke's Community Health Services to acquire and construct the Health Facilities, which are to be located within the jurisdiction of the Montgomery County Hospital District (the "District") in Montgomery County, Texas;

WHEREAS, under the Health Facilities Development Act, chapter 221, Texas Health and Safety Code, the HCHFDC may do so only with the consent of the Commissioners Court of Montgomery County and the District; and

WHEREAS, the District desires to facilitate the financing, acquisition, construction, and improvement of the Health Facilities in order better to provide for the health care needs of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause St. Luke's Community Health Services to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this 21<sup>st</sup> day of August, 2007.

  
Chairman, Board of Directors

  
Secretary, Board of Directors

8/21/07



**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: *Kenn Fawn*  
Kenn Fawn, Chairman

Attest:

*Sandy Wagner*  
Sandy Wagner, Board Secretary

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO SECTION 1063.051, TEXAS SPECIAL DISTRICT LOCAL LAWS CODE**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation, as codified in chapter 1063 of the Special District Local Laws Code calls for the election of Board members at the uniform election date in May of each even-numbered year; and

**WHEREAS**, per SB 100 passed by the 82<sup>nd</sup> Legislature, the Board of Directors of the Montgomery County Hospital District voted to move its Board member elections to the uniform election date in November of each even-numbered year; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments to section 1063.051 of the Special District Local Laws Code so as to correctly reflect the date for Board member elections, as well as the date with Board members terms expire; and

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this Resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Approval of Amendments to Section 1063.051, Special District Local Laws Code.** The Board of Directors hereby supports the passage of legislation by the 84th Texas Legislature amending section 1063.051, Special Districts Local Laws Code, so as to provide for the election of Board members to the District at the uniform election date in November of each even-numbered year, with Board members serving staggered four-year terms expiring on the last day in December.

**BE IT SO RESOLVED.**

Passed and Approved this 27<sup>th</sup> day of May, 2014, by a vote of 5  
in favor and 0 against, 1 abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: Kenn Fawn  
Kenn Fawn, Chairman

Attest:

Sandy Wagner  
Sandy Wagner, Board Secretary

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY       §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO APPROVE AND SUPPORT PROPOSED LEGISLATIVE AMENDMENTS AND CHANGES TO ASSIST AND IMPROVE THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S ABILITY TO FULFILL ITS MISSION**

**WHEREAS**, The Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

**WHEREAS**, The Montgomery County Hospital District's enabling legislation charges the Montgomery County Hospital District with a legal duty to provide indigent health care to the citizens of Montgomery County, Texas, and the Montgomery County Hospital District maintains and operates an Emergency Medical Services organization; and

**WHEREAS**, The Montgomery County Hospital District does not own a hospital but pays third party providers and vendors to provide health care to the indigent citizens of Montgomery County, Texas; and

**WHEREAS**, the Board of Directors of the Montgomery County Hospital District has determined it to be in the best interest of the District and the public to seek legislative amendments and changes to assist and improve the Montgomery County Hospital District ability to fulfill its mission to provide indigent health care to the citizens of Montgomery County, Texas; and

**WHEREAS**, under the Health and Safety Code, Subtitle C, Chapter 61, Subchapter C, hospital districts and public hospitals are required to provide indigent health care and treatment services; and

**WHEREAS**, these hospital districts and hospitals use local tax funds to treat indigent enrollees who have experienced personal injury caused by another person's negligence or wrong; and

**WHEREAS**, some enrollees subsequently file tort claim actions to recover accident or health insurance coverage benefits available to them for such acts of negligence and wrong and often, these enrollees do not inform the districts or hospitals of these actions; and

**WHEREAS**, even though the indigent enrollee recovers money from a subsequent tort claim the hospital districts and hospitals are not repaid for the costs of services provided with local tax funds; and

**WHEREAS**, county funded indigent care programs under Chapter 61, section 61.044, and prior to the 81<sup>st</sup> Legislature, state law does not provide hospital districts and public hospitals the right of subrogation; and



**WHEREAS**, hospital districts in Texas that contract with other hospitals to provide their indigent health care and treatment services because they no longer operate their own hospital facilities do not have a mechanism to recover local funds spent on the care of the indigent enrollees who recover from liability, accident, or health insurance coverage.

**WHEREAS**, Senator Nichols has sponsored HB 1170 in the 81<sup>st</sup> Texas Legislature to amend the Health and Safety Code, Chapter 61, by adding Section 61.067, which provides as follows:

- That the filing of an application for or receipt of services constitutes an assignment of the applicant's or recipient's right of recovery from: personal insurance; other sources; or another person for personal injury caused by the other person's negligence or wrong.
- A person who applies for or receives services shall inform the hospital district or public hospital, at the time of application or at any time during eligibility, of any unsettled tort claim that may affect health care needs and of any private accident or health insurance coverage or similar coverage that is or may become available. An applicant or eligible resident shall inform the hospital district or public hospital of any injury that is caused by the act or failure to act of some other person. An applicant or eligible resident shall inform the hospital district or public hospital as required by this subsection not later than the 10th day after the date the person learns of the person's insurance coverage, tort claim, or potential cause of action.
- A claim for damages for personal injury does not constitute grounds for denying or discontinuing services under this chapter.
- A separate and distinct cause of action in favor of the hospital district or public hospital is created under this section, and the hospital district or public hospital may, without written consent, take direct civil action in any court of competent jurisdiction. A suit brought under this section need not be ancillary to or dependent on any other action.
- The hospital district's or public hospital's right of recovery is limited to the amount of the cost of services paid by the hospital district or public hospital. Other subrogation rights granted under this section are limited to the cost of the services provided.
- An applicant or eligible resident who knowingly and intentionally fails to disclose the information required by Subsection (b) commits a Class C misdemeanor.
- An applicant or eligible resident who knowingly and intentionally fails to disclose the information required by Subsection (b) is subject to denial of services under this chapter following an administrative hearing.
- Procedures established by a hospital district or public hospital for administrative hearings under this section must provide for appropriate due process, including procedures for appeals.

**WHEREAS**, by this Resolution the Board of Directors of the Montgomery County Hospital District seeks to express its support for the legislative matters set forth in this resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:**

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **The Montgomery County Hospital Board of Directors do hereby express their support of the proposed legislative amendments and changes concerning subrogation rights for Hospital Districts.**

**BE IT SO RESOLVED.**

Passed and Approved this 24<sup>th</sup> day of February, 2009, by a vote of six (6) in favor and zero (0) against, zero (0) abstaining.

**MONTGOMERY COUNTY HOSPITAL  
DISTRICT BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Francis Bourgeois, Chairman

Attest:

\_\_\_\_\_  
Sandy Wagner, Board Secretary

STATE OF TEXAS

COUNTY OF MONTGOMERY

**BOARD RESOLUTION  
OF  
MONTGOMERY COUNTY HOSPITAL DISTRICT**

WHEREAS, the Texas Building and Procurement Commission is authorized to provide purchasing services for local governments pursuant to TITLE 8. SUBTITLE C Chapter 271, Subchapter D Sections 271.082 and 271.083 of the Local Government Code; and

WHEREAS, the Montgomery County Hospital District ("MCHD") of Montgomery County is an Assistance Organization defined as an entity qualified to participate in the Cooperative Purchasing Program of the Texas Building and Procurement Commission pursuant to section 271.081 of the Local Government Code; and

WHEREAS, in accordance with the requirements of section 113.85(a) of the Texas Building and Procurement Commission administrative rules, the Agent(s) of Record, James F. Hamilton, CAO, and Paul Hanlon, CFO, are authorized to execute any and all documentation for MCHD pertaining to its participation in the Texas Building and Procurement Commission Cooperative Purchasing Program; and


WHEREAS, MCHD acknowledges its obligation to pay participation fees established by the Texas Building and Procurement Commission.

NOW, THEREFORE BE IT RESOLVED, that request be made to the Texas Building and Procurement Commission to approve MCHD for participation in the Texas Building and Procurement Commission Cooperative Purchasing Program.

Adopted this 19th day of October, 2004.

Montgomery County Hospital District

By:  Date: 10-12-04  
Jim Hamilton, CAO

ATTEST:  
 Date: 10-11-04  
Eric Yollick, Secretary  
Board of Directors

10/19/04

Interim Executive Director  
Cynthia L. Reed



CHAIRMAN  
Brenda Pejovich

COMMISSIONERS  
Stuart S. Coleman  
James S. Duncan  
Bob Jones  
Victor E. Leal  
Mary Ann Newman-  
Buckley

**Texas Building and Procurement Commission**

**TBPC CO-OP APPLICATION**

Paul HANLON

Name of Authorized Individual

Montgomery County Hospital DISTRICT

Name of Qualified Entity

200 RIVER POINTE DRIVE, Ste 200

Address

CONROE TX 77304

City, State, Zip Code

phanlon@mchd-tx.org

Email Address

(936) 523-1138

Phone Number

(936) 523-5094

Fax Number

The annual membership fee for participation in the TBPC Co-Op is:  
Fee is Non-Refundable

**\$100.00**

**Please make checks payable to: Texas Building and Procurement  
Commission**

**RETURN THIS FORM WITH PAYMENT  
AND  
ALL REQUIRED DOCUMENTS**

Questions? Call TBPC Co-Op at 512/463-3368 or e-mail at [coop@tbpc.state.tx.us](mailto:coop@tbpc.state.tx.us).

**The Not Resolution**

RESOLVED, that the District shall not call an election to dissolve the District.

FURTHER RESOLVED that the District shall not privatize the Emergency Medical Services department.

Respectfully submitted,



---

Eric "Bulldog" Yollick  
Trustee  
At-Large Position Number One

5/25/03

Send to Dr. Peace original all signs

**RESOLUTION**

**WHEREAS**, the national effort to manage healthcare cost and increase the quality of life in each American depends on community focused programs of wellness, health promotion, disease prevention and early detection; and

**WHEREAS**, the Nova Wellness Institute along with other public and private entities have taken the initiative to increase the community's awareness of existing and potential health problems and to provide reliable, accurate, and safe access to wellness information to the citizens of Montgomery County,

**NOW THEREFORE, BE IT RESOLVED**, that the Montgomery County Hospital District, hereby affirms and supports the wellbeing of Montgomery County's residents and the mission of the Montgomery County Wellness Initiative, that is, "to promote wellness and prevent disease" and urges all residents of Montgomery County to support the commendable efforts of this Wellness Program in helping the citizens of Montgomery County to a healthier quality of life.

**APPROVED AND ENTERED** this 16<sup>th</sup> day of September, 1998 by the Board of Directors of the Montgomery County Hospital District.

**WE THE UNDERSIGNED DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT HAVE VOTED APPROVAL OF THIS RESOLUTION.**

Maria Johnson, Chair

Paul Curry, Vice Chair

Neal Huff, Secretary

Jack Mitchell, Treasurer

\_\_\_\_\_, Member

\_\_\_\_\_, Member