



University Health System

SPECIAL MEETING OF THE BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, August 16, 2011
2:00 p.m.
Corporate Square, 10th Floor, Conference Room A
4801 NW Loop 410
San Antonio, Texas 78229-5347

MINUTES

BOARD MEMBERS PRESENT:

Jim Adams, Vice Chair
Ira Smith, Secretary
Robert Engberg
Alex Briseño
Rebecca Q. Cedillo

BOARD MEMBERS ABSENT:

Robert L. Jimenez, M.D., Chair
Linda Rivas

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Debra Flores, Executive Director, Budget Office, University Health System
Roe Garrett, Vice President/Controller, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System

MEDIA:

Richard Marini, San Antonio Express News

CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, VICE CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:00 p.m.

INVOCATION AND PLEDGE OF ALLEGENCE:

Volunteer Chaplain Tomas Hernandez said the invocation and Mr. Adams led the pledge of allegiance.

CITIZENS' PARTICIPATION: None.

NEW BUSINESS:

ITEMS RELATED TO BUDGET & FINANCE – ROBERT ENGBERG, CHAIR, BUDGET & FINANCE COMMITTEE

DISCUSSION AND APPROPRIATE ACTION REGARDING THE 2011 UNIVERSITY HEALTH SYSTEM TAX RATE RECOMMENDATION TO COMMISSIONERS COURT IN SUPPORT OF THE OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR 2012 - PEGGY DEMING AND GEORGE B. HERNÁNDEZ, JR.

SUMMARY:

Ms. Deming presented the projected operating, debt service and capital budget requirements (excluding Community First Health Plans because tax funds are not used in support of its operations) for the 2012 fiscal year. She also provided two years of historical and four additional years of projected financials. The projections reflect a slight loss of \$267,000 from operations for 2012. Initiatives representing \$14.4 million in financial improvements thus far for 2012 were included to offset the \$15.5 million of legislative cuts previously discussed with the Board of Managers.

The effective operating tax rate is the tax rate that levies the same taxes for operations in 2012 as in 2011. The 2012 published effective operating tax rate is \$0.239297 per \$100 valuation. The existing tax rate in support of Health System operations in 2011 is \$0.233876 per \$100 valuation. The effective operating tax is \$.005421 or 2.3% higher than the existing tax rate. The sum of the debt tax rate and the operating tax rate yields the total tax rate. The effective total tax rate is the tax rate that imposes the same total tax in 2012 as in 2011. The published effective total tax rate for the Health System for 2012 is \$0.282511. This is the sum of the lower debt rate \$0.041889 and the effective operating tax rate of \$0.239297.

After Ms. Deming's presentation, a full discussion ensued regarding the current economic climate, cuts in public education, and the Health System's commitment to the people of Bexar County. Because the Health System is a highly regarded institution, Board members urged staff to simplify the tax rate presentation to logically explain that the Health System is trying to provide the best possible health care with the available funds and without placing any additional undue burden on tax payers.

RECOMMENDATION: Staff recommends a total tax rate of \$0.281186 per \$100 property valuation in support of the operating, debt services and capital requirements of the Health System for 2012.

ACTION: A **MOTION** to keep the existing tax rate of \$0.233876 per \$100 valuation (or that the tax rate for 2012 remain unchanged from its 2011 level) in support of Health System operations, debt service and capital requirements was made by Mr. Briseno, **SECONDED** by Mr. Engberg and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Adams thanked the staff for the overall level of detail provided in the background materials to the Board. Mr. Adams would like Bexar County Commissioners to know that the Board is very pleased with the quality of the financial management of the Health System. Ms. Cedillo suggested that the Chair or Vice Chair inform the Commissioners at a future CIP update/work session. Mr. Adams also suggested, as in years past, that Mr. Briseno review the Commissioner Court presentation for clarity and simplicity.

FOLLOW-UP: As indicated above.

ANNOUNCEMENTS:

Mr. Engberg informed the Board that he had attended a very impressive Open House on Wednesday, August 3, 2011, to celebrate the opening of the first cardiovascular Hybrid Suite in South Texas. The new cardiovascular Hybrid Suite at University Hospital will offer the highest level of care from a team of UT medicine cardiologists, cardiothoracic surgeons and vascular surgeons. Hybrid lab procedures include angioplasty and stent placements to coronary bypass, valve replacements and aortic repairs.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 2:55 p.m.

Jim Adams, Vice Chair
Bexar County Hospital District
Board of Managers

Ira Smith, Secretary
Bexar County Hospital District
Board of Managers

Sandra D. Garcia, Recording Secretary