

**Lubbock Regional MHMR Center
Board of Trustees Regular Meeting
August 31, 2006- 4:00 p.m.
1602 10th Street – Staff Development Room**

MINUTES

Members Present: Byron Edwards, Wayne Hollinshead, Bobby Kazee Harvey Morton, Brian Shannon, Lois Shields, Tina Thompson, (arrived at 4:11 pm)

Members Absent: Hattie Gipson, Elena Quintanilla (arrived at 4:11 pm)

Staff Present: Danette Castle, Cindy Lucas, Cathy Pope, David Allen, Kent Beistle, Sharon Boles, Tim Carroll, Helen Ford, Roxie Ford, Ezzy Garza, Mary Gerlach, Jean Morrow-Hardwell, Janet Harvey, JoAnne Harwood, Robyn Johnston, Becky Lusk, Terry McEldowney, Debie Martin, Beth Moore, Kim Pavlik, Kay Pippin, Glenda Sanders, Debra Shepherd, Barbara Trevino, Leonard Valderaz, Rebeca Wallace, Mary Watson

Others Present: Monti Booth, Eugene Urrutia,

I. Call to Order

Mr. Shannon called the meeting to order at 4:09 p.m.

A. Chair Rule on Presence of a Quorum

Mr. Shannon declared a quorum with seven (7) members present. Ms. Gipson had informed Ms. Wallace that she would not be present due to medical reasons. Ms. Quintanilla is absent.

B. Proposed Meeting Calendar

Ms. Wallace presented a proposed meeting calendar for future board meetings. It is proposed that there would not be a meeting in November or June. The Texas Council Annual Conference is scheduled for June 27-29, 2007 in Houston, Texas. Mr. Morton made a motion to accept the proposed calendar. Ms. Shields seconded the motion. The motion carried unanimously.

C. Board Member Reappointments

Ms. Wallace informed those present that on August 24, 2006 Mr. Kazee, Mr. Morton, and Mr. Shannon were reappointed to the board by the City of Lubbock. LISD reappointed Ms. Shields to the board on August 10, 2006.

Ms. Wallace drew the board member's attention to a letter written by Ms. Quintanilla to the County commissioners expressing her need to resign from the board. The letter also expressed her appreciation for her time on the board. Both Ms. Castle and Mr. Shannon thanked Ms. Quintanilla for her years of service on the board. Ms. Castle also discussed efforts that were underway to fill the vacancy created by Ms. Quintanilla's resignation.

D. Appointment of Nominating Committee

Ms. Wallace reminded the board that the by-laws call for the election and installation of Chair, Vice-Chair and Secretary in September. It was suggested that a nominating committee be formed so as to make recommendations related to new officers. Ms. Shields, Mr. Morton and Mr. Edwards volunteered to serve on the committee.

II. Public Comment

Ms. Wallace reported that no one had registered to provide public comment.

III. Network Management

A. Sunrise Canyon Hospital

1. Hospital Statistics

Mr. Leonard Valderaz, the chief operations officer of Sunrise Canyon Hospital, provided the Sunrise Canyon Hospital Report. He informed the Board that their packets contained the following:

- July 2006 Statistics
- Comparative Discharge Diagnoses
- Readmission Tracking
- June and July Incidents
- Medical Executive Committee Reports

Mr. Valderaz noted that the hospital occupancy rate for July was 54%, down from 73% the month before. There were 48 admissions in June compared to 68 in June. The average length of stay for July was 9.1 days compared to 12 day in May. Thirty day readmissions in July were 10.4% compared to 8.1% in June. There were no other notable changes.

Ms. Castle informed the board that she and Ms. Pope, Ms. Gerlach and Mr. Valderaz had meet with key staff from Big Spring State and they had come to an agreement that Sunrise Canyon Hospital would take clients needing jail diversion and inpatient services should there not be any beds available at the state hospital.

Mr. Valderaz noted that there were eleven medication incidents in June and two in July, however as of that moment, there were no incidents for the month of August. There were two instances of patient aggression in July, one of which resulted in seclusion of the patient. There was much discussion regarding the incident report format. It was suggested that the report form be revised to improve legibility.

2. Medical Professional Executive Committee Report

a. Privileging

Mr. Valderaz reported that the Medical Staff Executive Committee is recommending the appointment of Dr. Eli Anderson to the Medical Staff of Sunrise Canyon Hospital for 1 year Provisional Appointment, active status effective September 1, 2006. Mr. Hollinshead made the motion to approve the recommendation. Mr. Morton seconded the motion. The motion was unanimously approved.

1. Resource Development-Grant/Foundation Report

Ms. Pope informed the board that we had agreed to return the \$25,000 awarded to us from the Lubbock Osteopathic Fund as we were not ready to use the funds under the conditions they had been awarded. The board of the Lubbock Osteopathic Fund were very interested in helping us in the future.

C. Goal 2-Financial Resources and Risk Management

Focus Area 1-Resources and Risk Management

1. Audit Report

Ms. Robyn Johnston informed the board that there had been no reported findings that resulted from the Fiscal Compliance review conducted by the OIG in June.

Focus Area 2-Fiscal Accountability

1. Financial Report-July 2006

Ms. Moore reviewed the July 2006 financial report. The July Balance sheet reflects Cash and Investments totaling \$3,490,486. She drew there attention to the new interest rates for the investment accounts. Included in Total Assets are Receivables in the amount of \$2,714,253 and Other Assets in the amount of \$851,575. Total Assets for July are \$7,167,651.

Liabilities totaled \$1,593,933 with the center's health insurance plan continuing to show a negative balance in the amount of \$150,283 at this time. Last month this deficit had been reported to be \$206,275. It is anticipated that we will end the fiscal year with a health insurance deficit at \$75,000. There is \$1,731,799 in Deferred Revenues. The current Undesignated Fund Balance totals \$3,883,147 reflecting a decrease in the amount of \$41,228.

Overall revenues are below projections by 1.2%. Local Income is over projections by 1.3%, or \$13,962. Earned Income is under projection by 2.3% or \$271,402. General Revenue reflects being under projection by .04% or \$3,044.

The Statement of Expense reflects that we are under budget in all areas except in Capital Outlay and Contracts/Consultants. Salaries & Fringe are under budget by \$148,127, Travel is under by \$30,415, Consumables is under budget by \$7,791, Building is under budget by \$22,137, and All Other Expenses is under by \$87,241. Capital Outlay is over by \$8,298 and Contracts/consultants are over by \$68,157, largely due to hiring of locum tenens.

The July Program Financial reflects that Provider Services is experiencing a negative margin of \$175,029. We have learned that the state has approved the transfer of child and adolescent services funds to Adult Service. Essential Services are reflecting a positive margin of \$37,878. Program Facility/Operations also reflects a positive margin of \$45,324. Central Administration and Network Management are showing a positive margin of \$56,386. Fiscal Agent Contracts reflect a negative margin of \$5,787, largely due to hurricane activities for which we were not reimbursed. Overall, at this time, the Center is showing a negative margin of \$41,228.

Ms. Castle noted that \$90,000 has been set aside in accounts payable in order to deal with the issue of settle up that we will realize in the next 12-18 months. Ms. Pope commented that historically we have not done this. Had we operated as in the past, we probably would end the fiscal year in the black. It was decided to deal with this now rather than later. Ms. Lucas also noted that this is the first year that we have anticipated a pay back instead of a positive settle up coming to the center.

Mr. Hollinshead made a motion to approve the July Financial Report. Ms. Quintanilla seconded the motion. The motion carried unanimously.

Performance Contract

Ms. Castle a brief overview of the DSHS and DADS Performance Contracts. An in depth review of the contract had been provided to the board during an Audit Committee Meeting held this last Monday, August 28, 2006.

On behalf of the Audit Committee Ms. Shields made a motion to approve Management recommendations related to **Aging and Disability Services** which include:

- Discontinue the Human Service Technician Career Ladder for all new hires effective 9/1/06.
- Transition all full-time positions (22) in the Supported Living Services & Transition Units to part-time positions effective 12/01/06.
- Continue analysis of costs to revenue-may have to take additional steps to reduce positions, benefits and/or wages of existing staff.

Related to **Behavioral Health Services**

- Discontinue the Human Service Technician Career Ladder for all new hires effective 9/1/06.
- Transition two (2) full-time positions in the Billy Meeks Center and three (3) full-time positions in the Transportation Unit to part-time positions effective 12/01/06.
- Request to move \$135,000 of child/adolescent General Revenue into Adult Services.

Related to **the entire organization**

- Establish an employee contribution option for the retirement program and reduce the Center's base contribution from 5% to 3%. Employee match could be used to bring the Center's contribution to 4% (or no more than the current 5%).
- Convert the current leave policy (vacation and sick) to a Paid Time Off (PTO) program by 12/01/06 (essential to creating higher budget certainty and getting costs in line with payer's rate assumption).
- Discontinue discretionary benefits (paid leave, health, retirement) for all less than full-time employees effective 12/01/06 (directly impacts six staff).

- Reduce paid holidays from 11 days to 9 days (effective FY 2007) and reduce the days the Center is actually closed for a holiday from 10 days to 8 days.
- Prepare for changes in the health insurance plan.

Discussion related to this recommendation included the approaches that will be used to gain understanding regarding the above issues. Ms. Castle noted that the executive committee would be using employee focus groups, meetings and other means to garner input about paid time off strategies for hours accrued, hours carried over, maximum hours paid out, retention of banked sick leave, holiday selection, health plan strategies to absorb an anticipated 10% increase in the cost of our health plan (deductibles, co-pays, cost of base and buy-up plans, overall benefit package).

Ms. Lucas requested Mr. Kazee's guidance as we move forward. There was agreement that board members would be kept informed of specific recommendations related to these issues.

The motion carried unanimously. Mr. Shannon expressed his gratitude to staff for their efforts in maintaining a quality driven service system and noted that this has been one of the hardest years that he has experienced. Ms. Castle also expressed her appreciation of the staff and the value they place on community services.

FY 2007 Proposed Budget

Ms. Moore summarized the proposed FY 07 budget. She indicated that the local income budget would be increased by 12%, grants would increase by 4%, service reimbursement would decrease by 1%, and general revenue would be decreased by 2%. Ms. Moore projected an overall 1% reduction in expenses related to salaries, fringe benefits, travel, consumables, capital outlay, building expense and other expenses for FY07. She also projected a total of \$262,446 would be used for the purchase of capital expenses to include furniture, equipment, computers, and vehicles.

Ms. Shields made a motion to accept the FY 07 budget as presented. Mr. Kazee seconded the motion. The motion carried unanimously.

Board Member Affidavits

Ms. Wallace informed the board about the requirements of the DADS and DSHS contracts regarding their awareness and knowledge not only about the specifics of the contract, but also about their knowledge of statutory requirements as they pertain to board members such as the following:

- Texas Health and Safety Code-534.0065
 - Qualifications, conflicts of interest and grounds for removal
- Texas Health and Safety Code-534.0115
 - Nepotism
- 412.54-25 Texas Administrative Code 412B
 - Accountability for local authority employees and officers

- 411.310-25 Texas Administrative Code 411G
 - Standards of Administration for Boards of Trustees
- Local Government Code-Chapter 171
 - Conflicts of interest of officers of municipalities, counties and certain other local governments

Ms. Wallace provided the board members with an opportunity to discuss and ask questions regarding these requirements. She also provided time for them to sign the affidavits with her witnessing their signature as she is a notary.


IV. Executive Session for the purpose of consultation with Legal Counsel regarding pending or contemplated litigation (Under Authority of Texas Open Meeting Act Sec. 551.071)) and to deliberate the purchase, exchange, lease, or value of Real Property (Under Authority of Texas Open Meeting Act Sec. 551.072)

Mr. Shannon recessed the regular meeting at 5:25 p.m. The Executive Session was convened at 5:29 p.m. for the purpose of consultation with Legal Counsel regarding pending or contemplated litigation (Under Authority of Texas Open Meeting Act Sec. 551.071)) and to deliberate the purchase, exchange, lease, or value of Real Property (Under Authority of Texas Open Meeting Act Sec. 551.072).

The Executive Session was concluded at 5:50 pm and the regular meeting was reconvened at 5:51 pm. The board did not take any actions.

Adjourn

Ms. Thompson made a motion to adjourn the meeting. Mr. Kazee seconded the motion. The motion carried unanimously. The meeting adjourned at 5:52 p.m.

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Approved by	Date