

**Lubbock Regional MHMR Center  
Board of Trustees Regular Meeting  
July 30, 2007- 4:00 p.m.  
1602 10<sup>th</sup> Street – Staff Development Room**

**MINUTES**

**Members Present:** Byron Edwards, Hattie Gipson, Wayne Hollinshead, Bobby Kazee, Harvey Morton, Brian Shannon, Tina Thompson,

**Members Absent:** Lois Shields, Mike Arismendez

**Staff Present:** Danette Castle, Cindy Lucas, Cathy Pope, Tim Carroll, Eileen Coonrod, Mary Gerlach, Helga Gongaware, Jean Hardwell, Robyn Johnston, Beth Lawson, Becky Lusk, Barbara McCann, , Kim Pavlik, Kay Pippin, Debra Shepherd, Karen Smart, Leonard Valderaz, Rebeca Wallace

**Others Present:** Monti Booth, Eugene Urrutia

**I. Call to Order**

Mr. Shannon called the meeting to order at approximately 4:10 pm.

**A. Chair Rule on Presence of a Quorum**

Mr. Shannon declared a quorum with seven members (7) members present. Mr. Arismendez had advised Ms. Wallace that he would not be present at today's meeting as he is on vacation and Ms. Shields had advised that she was out of town and would probably not be in attendance.

**B. Minutes**

The minutes from the board meeting held June 25, 2007 were presented to the members for approval. Mr. Morton made the motion to approve the minutes with the addition of "...former Comptroller" added to line 5 on page 5. Mr. Edwards seconded the motion. The motion carried unanimously.

**C. Meeting Schedule**

Ms. Castle stated that she had had a very extensive conversation with Mr. Hollinshead regarding his role on the Board of Trustees and whether or not he would seek re-appointment. During their discussion, Mr. Hollinshead expressed his concerns about attending meetings as they are currently scheduled. She indicated that following their conversation, he agreed to seek re-appointment, but requested the board consider changing the meeting to the last Tuesday of the month, instead of the last Monday of the month. Ms. Castle requested that everyone look at their schedule and provide Ms. Wallace with feedback.

Ms. Castle informed the board that she had received a formal letter from Mr. Edwards indicating that after much thought he was having to make the difficult decision not to seek re-appointment to the board. Ms. Castle expressed her appreciation of Mr. Edwards'

contributions and indicated that next month the Center would provide him with a worthy good-bye.

The board members were also informed that gratefully, Ms. Gipson also agreed to seek another term, but that she would be re-looking at her commitment within the year.

## **II. Public Comment**

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

## **III. CEO Report**

Ms. Castle provided a brief CEO Report beginning with an invitation to the Destination Dignity event scheduled for September 13<sup>th</sup> at the Courthouse Gazebo from 4:30 pm to 7 pm. Ms. Wallace will send the board members additional information as it becomes available.

Regarding budget allocations, Ms. Castle stated that the Center, and the entire community center system was still waiting to hear about budget allocations and Medicaid rates. Not having this information is proving to be difficult during the current budgeting process.

The next Texas Council Board of Director's meeting is scheduled for August 9<sup>th</sup> and 10<sup>th</sup>. There will be reception for Representative Truitt the afternoon of the 9<sup>th</sup> and a retirement reception that evening for Sandy Skelton. Ms. Castle indicated that the Search Committee that will be making recommendations to fill the vacancy created with Mr. Skelton's retirement will be meeting on the 10<sup>th</sup>. There have been over 70 applications and the committee will narrow the search to the seven that will be interviewed.

Ms. Castle provided the board with the list of the members serving on the Local Network Planning and Development Committee. The members noted in blue, include Ms. Castle and staff from center who were HB 2377 Pilot sites.

Ms. Castle expressed an interest in meeting sometime in September or October with the Downtown Lion's Club for the purpose of talking about our services, the support we receive from our legislators, funding, etc. It would be a good idea to invite state, local and surrounding legislators to this meeting and show our appreciation of their support. She indicated she had attended a recent Rotary Club meeting and that she'd been considering a resurgence of the Public Information Committee or similar venues to disseminate information about what we do. She is eager for us to attend similar meetings and talk shows for this purpose. Mr. Edwards indicated that he would have the chair of the Friday AM Rotary Club contact Ms. Castle.

## **IV. Network Management**

### **A. Sunrise Canyon Hospital**

#### **1. Hospital Statistics**

Mr. Valderaz provided the board with information regarding the June hospital statistics. He noted that in June Sunrise Canyon had a 74% occupancy rate, down from 75% the previous month. The average length of stay for June was 16.6 days, up from 11.08 days in May. The 30 day readmission rate was down to 12.50%, up from 8.77% in May. Mr. Valderaz also reviewed June admissions by Service Packages.

Mr. Valderaz provided the board with a brief review of the 29 incidents that occurred during the month of June. He used a graph to compare incidents by month beginning in January of

2007. He noted that one patient was involved in 12 of the 29 incidents. He also noted that one event may result in several incidents.

## **2. Medical Executive Committee**

### **a. Privileging**

Mr. Valderaz informed the board that Medical Staff Executive Committee is recommending a one year Provisional Appointment, Active Status, Category I as an attending physician to Sunrise Canyon Hospital for Dr. Christina Golden. Mr. Edwards made the motion to approve the committee's recommendation. Mr. Hollinshead seconded the motion. The motion was approved unanimously.

Mr. Valderaz also notified the board that Dr Marsha Spalding had been granted Temporary Clinical privileges effective July 16, 2007.

Ms. Castle requested the assistance of two board members with conducting privileging using the expedited process during the meeting break. The paperwork was completed late Friday and it was not possible to include it on today's agenda. Mr. Kazee and Ms. Thompson agreed to meet with Mr. Valderaz during the break.

## **B. Goal 1-Individual and Organizational Outcomes**

### **Focus Area 1-Enhancement of Services and Supports**

#### **1. Physician Recruitment**

Ms. Pope noted that they are continuing their search for one more outpatient psychiatrist.

#### **2. Third Quarter Service Targets**

Ms. Johnston provided the board with a summary of Mental Health Services Targets through the third quarter of FY 07. She reviewed performance targets for Adult Services and Children & Adolescent Services. We achieved 129% and 226% of the targets respectively. Ms. Johnston also informed the board that we had also exceeded the five performance measures for Aging and Disability Services.

Ms. Castle informed the board that the Center received a letter today from the Department of State Health Services informing us that they had denied our request to transfer \$183,000 from Children & Adolescent Services to Adult Services. Ms. Castle stated that we will be in discussions with DSHS in the hopes of over turning their decision.

## **C. Goal 2-Financial Resources and Risk Management**

### **Focus Area 1-Compliance**

#### **1. Board of Trustees Audit Committee Report**

Mr. Kazee provided the report from the Audit Committee in Ms. Shields' absence. Mr. Kazee summarized the status of architectural bids and the Center's request for land from the City for the PACE site and construction. The Center has approached the City requesting donation of land adjacent to Sunrise Canyon Hospital. No word has been received regarding this request, but we are hoping to have more information by the time the next meeting is held. He reported that the two architectural bids received from McCormick and ADC, Inc. are very similar to one another.

Mr. Kazee indicated that they also discussed issues regarding external auditors, Scott, Singleton, Fincher & Co. Last year they requested and received, based on staff recommendations, a 10% fee increase to cover the costs associated with travel and staff time

involved in the audit. They have requested a similar 10% increase this year. The Audit Committee suggested that the Center request a lock down at 12% for the next two years. It was also suggested that we exercise the right to let an RFP to ascertain interest from other firms, knowing that the number of firms that can do this type of auditing is scarce.

Ms. Castle noted that when we requested similar information from other firms last year, no one returned a bid lower than Scott, Singleton, Fincher & Co.

The Audit Committee is anticipating another meeting prior to the next board meeting.

Ms. Castle thanked Ms. Shields, Mr. Kazee and Ms. Thompson for giving up some of their time on Friday afternoon to conduct an Audit Committee meeting.

## **2. Audit Report**

Ms. Johnston provided a summary of recent audit findings. She reported that the Plan of Correction for the Annual Review of Fiscal Agent for CYD has been submitted and accepted.

She indicated that TDCJ has requested additional information in the third revision to the Plan of Correction that is due August 14<sup>th</sup>. The major point in question has to do with insurance limits and their request for additional insurance coverage above what is required by the Tort Claims Act. We are requesting modification to the contract.

The Department Family and Protective Services conducted an unannounced review of our child placing license on May 29<sup>th</sup> and found no deficiencies.

## **Focus Area 2-Fiscal Accountability**

### **1. Financial Report-June FY 2007**

Ms. Lawson reviewed the June 2007 financial statements. The June Balance Sheet reflects Cash and Investments totaling \$5,362,291. Included in Total Assets are Investments in the amount of \$114,545, Receivables in the amount of \$2,010,667 and Other Assets in the amount of \$818,236. Total Assets for June are \$8,305,739.

Liabilities totaled \$1,705,323 with the center's health insurance plan showing a positive balance in the amount of \$55,253 at this time. It was noted that we had a positive margin of \$93,756 in the fund balance. There is also \$2,537,485 in Deferred Revenues. Total Liabilities and Fund Balance in June was \$8,305,739.

Overall Revenues are below projections by 3.1%. Local Income is over projections by 9.75% or \$109,124. Earned Income is under projection by 7.31% or \$791,780. General Revenue reflects being over projection by .97% or \$74,287.

The Statement of Expense reflects that we are under budget in all areas except in Building expenses and Contracts and Consultants. Salaries & Fringe are under budget by \$784,047, Travel is under by \$52,434, Consumables is under budget by \$20,473, Capital Outlay is under budget by \$111,643, and All Other Expenses is under by \$1,805. Building Expenses are over budget by \$20,600 and Contracts/Consultants are over budget by \$247,675. The continued use of locum tenens has impacted this budget category significantly.

The Program Financials for June reflect a positive variance for Essential Services in the amount of \$81,105. Adult Mental Health Services indicate that expenses are over income by \$200,576. This continues to reflect the inability of current rates to sustain services. Child and Adolescent Services had \$5,704 revenue over expenses, Mental Retardation Services had \$137,484 revenue over expenditures and Substance Abuse Services has \$92,665 revenue over expenditures. In total, Provider Services has \$35,277 of revenues over expenses. Fiscal Agent Grants also had \$22,626 of expenses over revenues. Overall, in June the Center had \$93,756 of revenue over expenditures. Our current days of operation is approximately 53.4 days.

Mr. Edwards made the motion to approve the June Financial Report as presented. Mr. Kazee seconded the motion. The motion carried unanimously.

## **2. Investment Report**

Ms. Lawson provided a summary of interest earned as of June 30, 2007 for the Elite Savings Account and the Premier Savings Account.

The interest earned for the Elite account (at 4.75%) was \$36,457, for a total account balance of \$3,060,024. The Premier account earned \$3,719 (at 3.51%) for an account balance of \$349,293.

The Lubbock Area Foundation account has a balance of \$113,341. Ms. Lawson noted that interest earned has not been noted in this report due to some of the challenges she has had with obtaining needed information regarding the Lubbock Area Foundation account. Merrill Lynch is now managing the account and more information is needed. Mr. Edwards provided advice regarding this account. A discussion involving account options ensued. Ms. Moore will attempt to obtain more information and present it at the next meeting.

The Certificates of Deposit at the Lubbock National Bank earned \$10,537 in interest at a rate of 5.25% for an account balance of \$1,229,351.

In summary, the investment earnings for the third quarter of FY 07 were \$57,291. Corrections to the investment earnings graph for FY 07 were noted: first quarter earnings: \$59,665, second quarter: \$73,538, third quarter: \$57,291.

Mr. Kazee made the motion to approve the investment report. Mr. Edwards seconded the motion. The motion carried unanimously.

## **D. Goal 3-Human Resources**

### **Focus Area 1-Recoupment and Retention**

#### **1. Staff Turnover-3<sup>rd</sup> Qtr.**

Ms. Lucas informed the board year to date we have had 89 separations, 23 were in the third quarter. Of significance is the fact that there were no nurse separations. The annual projection for total Center-Wide separations is 132, or 26 % turnover rate. Projections for Human service techs and Nursing staff are 34% and 25% respectively. It appears that there may be a downward trend regarding staff turnover.

Prior to adjourning, discussion involved whether or not to have the board review the entire budget at the next board meeting or to have the Audit Committee meet prior to the next board meeting and submit recommendations to the board. It was agreed that the Audit Committee would meet and provide recommendations. Date and time for this meeting would be arranged with the committee members.

**V. Adjourn**

The meeting adjourned at 5:33 p.m.

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Approved by

\_\_\_\_\_  
Date