

**MINUTES**

**Members Present:** Drue Farmer (4:13 p.m.), Hattie Gipson (4:12 p.m.), Wayne Hollinshead, Robert (Bobby) Kazee, Jr., Carlos Morales, Harvey Morton, Brian Shannon, Lois Shields, Tina Thompson

**Members Absent:** None

**Staff Present:** Tim Carroll, Eileen Coonrod, Annette Gary, Mary Gerlach, Jean Hardwell, Robyn Johnston, Romie Juarez, Roger Karr, Beth Lawson, Cindy Lucas, Barbara McCann, Kim Pavlik, Cathy Pope, Carson Scott, Debra Shepherd, Karen Smart, Leonard Valderaz, Rebeca Wallace

**Others Present:** Monti Booth, Mary Collier, Adam Andrews, Eugene Urrutia, Jr.

**I. Call to Order**

Ms. Shields called the meeting to order at 4:05 p.m.

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

Ms. Shields declared there was a quorum of Board Members present.

**B. Public Comment**

Ms. Smart reported no one registered to provide public comment.

**C. Minutes**

The minutes from the regular Board meeting held July 14, 2009, were presented to the members for approval.

**MOTION:** Harvey Morton made the motion to approve the July 14, 2009, Board Minutes, seconded by Brian Shannon, and carried unanimously.

**D. Board of Trustees' Appointments**

Ms. Shields stated that Drue Farmer was reappointed and Mary Collier was newly appointed to represent the County on our Board for a two-year term. The LISD Board meets on August 27, 2009, and will make its appointments at that time. We have Tina Thompson up for reappointment and Suzanna Cisneros Martinez for a new appointment.

**E. Proposed FY10 Meeting Schedule**

Ms. Shields reviewed the Proposed FY10 Meeting Schedule with the Board. No changes were recommended, and members were asked to put these meetings on their calendar: 9/22/09; 10/27/09; 12/08/09; 01/26/10; 02/23/10; 03/15-17/10 (National Council); 04/27/10; 05/18/10; 06/16-18/10 (Texas Council); 07/27/10; and 08/24/10.

**F. Nominations Committee**

Ms. Shields asked for three volunteers to serve on the Nominations Committee to recommend a Chairperson, Vice-Chairperson, and a Secretary for FY10. Tina Thompson volunteered to Chair the Nominations Committee, and Harvey Morton and Brian Shannon

volunteered to serve on that committee. Ms. Pope asked the Board to consider moving to two-year terms when the bylaws are next presented to the Board for approval.

**G. Med Exec Committee Appointment**

Ms. Shields relinquished her position as liaison to the Sunrise Canyon Hospital Medical Executive Committee, and Harvey Morton has agreed to take on this position.

**II. Texas Council Risk Management Fund Report**

Mr. Morton presented the new logo for the Texas Council Risk Management Fund, which he and Rebeca Wallace had a part in developing. He stated the fund is approaching full implementation of the Political Subdivision Worker Compensation Alliance. A big part of the Centers have gone together to form an alliance to do workers' compensation filing. The fund paid out close to \$4 million in hurricane claims, which was heavily reinsured. We will probably have a 6% increase in premiums due to the hurricane claims. Mr. Morton stated he will seek reappointment to this committee.

**III. Texas Council of Community MHMR Centers Board of Directors' Report**

**A. 2010 Dues**

Ms. Pope stated our 2010 dues have increased with Texas Council by \$8,000. This increase is due in part to the Council's decision to hire a Communication Specialist in the Austin office. The Council has also decided to enter into a contract with a firm in Washington to act as a lobbyist for the Texas Council.

**IV. CEO Report**

**A. Sheriff's Resignation**

Ms. Pope stated that Sheriff Gutierrez has resigned, effective September 12, 2009. It appears the County Commissioners will interview and hire a sheriff to complete the unexpired term of Sheriff Gutierrez. This will have a huge impact on us.

**B. Homeless Shelter**

Ms. Pope spoke with Dale Milhauser who is a part of the Homeless Consortium. Ms. Milhauser stated they had received a letter from Delbert McDougal committing to property and some construction costs for new one-stop shopping and possible hotel upgrades along the Clovis Highway. We have not been contacted, but the process appears to be moving forward. Ms. Pope has been asked to serve on the South Plains Homeless Coalitions Board.

**V. Goal 1 – Individual and Organizational Outcomes**

**A. Sunrise Canyon Hospital**

**2. Incident Reporting FY09**

Annette Gary, Chief Nursing Officer, presented the Sunrise Canyon Hospital Incident Report for July, 2009. She directed the Board to Tab 4 in the Board packet. She stated that the grid show 17 incidents, when there were actually 24 incidents. There was 1 fall, 4 incidents of aggression (resulting in 5 incident reports), 16 medication errors (10 of those errors were made by 2 agency nurses and those 2 nurses have been requested to not come back), and 1 incident of contraband. With medication errors over our threshold of 5 or more, we are in the process of doing an extensive review.

**B. Access to Services**

Eileen Coonrod provided a brief update about the Waiting List and Medications.

**1. Waiting List**

Adult Mental Health Services – 196, increased by 16, 4 crisis calls, 3 received additional services.

C&A Mental Health Services – 61, increased by 2, 0 crisis calls, 0 received additional services.

IDD Service Coordination – 23, increased by 3, 2 crisis calls, 1 received additional services.

**2. Medication Support**

Medication Invoice Expenses - Target is \$39,611.58, and in total, we are under the budgeted total targeted amount through 8/6/09, with our average being around \$25,000.

Medication Expenses - \$4 co-pays for June, \$774.70 and July, \$919.04; Medicare D co-pays for June, \$1,585.44 and July, \$1,539.55.

Patient Assistance Program –\$92,196.72 in assistance in June and \$102,998.14 in July, with annual savings through July of \$930,924.61. If we have another good month, which we should, we most likely will hit \$1 million by the end of the year through this program.

**C. LaPaloma (PACE) Update**

**1. Implementation Update**

Mr. Scott gave a brief update on renovations to the La Paloma building. The Board viewed three (3) pictures showing the construction presently in progress. We have established our PACE Advisory Committee and had a meeting about a month ago. The committee consists of people from healthcare entities and specializations in aging.

**D. Board Affidavits**

Ms. Smart directed the Board to Tab 5 and asked them to take the stapled packet home to review and be ready to sign affidavits next month as part of our annual attestation to DADS and DSHS. An overview of the changes to the DADS and DSHS contracts is included as part of that packet.

**VI. Goal 2-Financial Planning, Asset Utilization and Risk Management**

**A. External Review Summary**

1. Department of Aging & Disability Services (DADS) ICF-MR Survey
2. Department of State Health Services (DSHS) – HIV Administrative Agency Review
3. Department of State Health Services (DSHS) – Access to Recovery Desk Review

Ms. Johnston stated we were not ready at this time to report on No. 1 above but she gave a review of each of the other two reviews. A plan of correction has been submitted for the HIV Administrative Agency Review which yielded five (5) citations, and the Access to Recovery Desk Review has been closed. Supporting documentation can be found behind Tab 6 in the Board packet.

**B. DADS/DSHS Contracts**

1. FY10 DADS Contracts
2. FY10 DSHS Contracts

Ms. Johnson briefly went over the Executive Overview for each of the two contracts. The changes to the contracts are listed in the overview. Regarding the DSHS contract, this is the first year they have issued a two-year contract. DADS issued a two-year contract two

years ago, and DSHS is following suit. The Centers for Medicare and Medicaid is requiring the State of Texas to change its payment methodology for targeted case management in mental health and rehabilitation services. The change requires the Texas Medicaid Healthcare Partnership to pay 100% of both the Federal and General Revenue share of the established rate when services are billed. Lubbock Regional MHMR Center is now designated as a Rural Assertive Community Treatment as opposed to an Urban ACT in the past. Also of significance is we are now able to use electronic signatures. Our new targets of 945 for adults and 133 for kids carried over to the new 2010 contract.

Regarding the DADS contract, again the Centers for Medicare and Medicaid is requiring the State of Texas to change its payment methodology for mental retardation service coordination as mentioned above. DADS is requiring Board members to sign affidavits as mentioned above not only annually but as changes occur. DADS is allowing the MRA to use electronic signatures, so both performance contracts have that included. Our MR consumer targets remain the same – MR consumer quarterly service target is 132 with an annual target of 528; for service coordination, our quarterly is 121, with an annual target of 484.

*Board members took a break from 4:55 p.m. to 5:24 p.m.*

**C. Financial Report – July FY09**

Ms. Lucas referred the Board to Tab 7 for the July financial statements. Our total assets through July are approximately \$7.2 million. On the Liability side, of note is the Center Health Insurance, which has a \$126,000 margin at this time. Our fund balance is \$3 million. We have \$118,188 left in the designated fund balance, and the undesignated fund balance is \$2.8 million, with an increase of \$91,000. We were hoping to have enough undesignated funds to cover our designated funds, but we do not have enough at this time. We have had a delay in selling the Lonnie Gary house and it does not look like it will close before the end of this month. We are under revenue projections by 5.6%. Our expenses are under by 6%, so we are operating at a one half of one percent margin. We are under in all areas of expenses with the exception of Building and Contracts/Consultants. Most of the \$579,000 that we are over in Contracts/Consultants is the El Paso HIV-AA program. The State asked us to be the Administrative Agency and pick up the El Paso services. They also asked us to pay the providers for the services that they had not been paid for and the State would reimburse us, and we have just paid out \$270,000 for those services. Agency nurses are also a part of this as previously discussed. The overage in Building is really Capital Outlay and was just projected in the wrong place at the beginning of the year. In Program Financials, we are showing a surplus of \$91,336.

**MOTION:** Wayne Hollinshead made a motion to approve the July Financial Report as presented. Carlos Morales seconded the motion. The motion carried unanimously.

**D. Investment Report**

Ms. Lucas directed the Board's attention to Tab 8 in the Board Packet. She noted that we made \$17,678 in interest during the 3rd quarter of FY09. Compared to prior years, this is not impressive, but considering 1.1% and 1.6% interest rates, and our CD is drawing 3.45%, this is what the market allows right now.

**MOTION:** Bobby Kazee made a motion to approve the Investment Report as presented, seconded by Wayne Hollinshead. Motion carried unanimously.

**E. Board of Trustees' Audit Committee Report**

Mr. Kazee stated the Audit Committee, consisting of Lois Shields, ad hoc committee member, Tina Thompson, Carlos Morales, and himself as Chair, met Friday, August 21, 2009, to review the proposed FY10 budget.

**1. FY10 Proposed Budget**

Ms. Pope briefly stated the priorities for next year: Salaries; open PACE; manage funding changes in IDD; SRC infrastructure improvements; continue to improve public image; continue to work on bringing all our facilities up to a respectable level in the community; continue to work on benefits (added two holidays this year for a total of 10); and continue Leadership and Management training Center wide.

Ms. Lucas noted a 21% increase in total revenue has been projected for next year. In Local Income, we project at 78% increase. This is primarily loan proceeds to cover PACE expenses. Earned Income is projected to increase 28%, and this is primarily picking up the HIV Administrative Agency in El Paso. TCOOMMI decreased due to the agency not funding a program they intended to fund in the beginning of last year. Earned Income (fee-for-service reimbursement) is projected to increase 19%. This includes new projections for Medicare and Medicaid for PACE, and adding the DARS Ticket to Work program and a new contract with TXDOT. General Revenue (DADS and DSHS funding) is expected to increase by 7%. What is not included in this projection is the \$1.2 million for the hospital infrastructure, and we will have to come back with an adjustment to the budget once that amount is determined. Also not included are the DADS Service Coordination start-up funds of approximately \$25,000. Expenses are projected to increase 21%. Many of the increases are due to improvements to our facilities and PACE improvements, increase in salaries because of new employees for PACE, and PACE contracted services. Total planned Capital Outlay expenses are projected to increase 40%.

**MOTION:** The Audit Committee would like to recommend for approval the FY10 Proposed Budget. Harvey Morton seconded, although no second is needed when a committee makes a recommendation. Motion unanimously carried.

**2. Audit Firm**

Tommy Nelson, with the firm of Scott, Singleton, Fincher & Company, has informed us that they can no longer do our external audit due to increased business. There are only three firms in Texas that have experience with community mental health facilities. A proposal for \$24,600 has been submitted by Davis Kinard & Co. and after review by Ms. Shields, Ms. Lucas, Ms. Lawson and the Audit Committee, it does meet the requirements.

**MOTION:** The Audit Committee would like to recommend acceptance of the proposal of Davis Kinard & Co, PC, to perform the external audit of the Center. No second is needed when a committee makes a recommendation. Motion unanimously carried.

**F. Johnson Controls Update**

Ms. Lawson gave a brief update on the Johnson Controls contract for energy savings and illustrated the progress on the Johnson Controls graph. The updated information is also located behind Tab 9 in the Board packet. We are 100% complete in Project Initiation; 90% in Management & Professional Services; 90% in Material Procurement; 66% in Installation; and 3% in Project Closeout. We should be complete with Johnson Controls

within the next few weeks. Ms. Lawson mentioned that we do have a loan with American State Bank to cover the \$640,000 costs to do all the retrofits. We fully expect energy savings to offset the loan payments. Because we have no historical data to rely on, we have budgeted the loan payments and the full utility amounts this year until some historical data can be accumulated, and hopefully we will see the offset in the utility bills in the future. It is good to note that Johnson Controls will make up any difference we do not receive in energy savings.

**VII. Goal 4 – Public Accountability**

**A. Community Activities Update**

Mr. Karr referred the Board to Tab 10 and the Community Activities from July 13, to August 25, 2009, and highlighted some of those activities.

**B. October Activities**

Roger Karr reminded the Board of the activities planned in October during Mental Health Awareness month and asked everyone to mark their calendars for: October 1, the Michael Nye, Fine Line VIP reception hosted by W. R. and Mary Collier; October 2, the grand opening of the Fine Line art exhibit, and 2<sup>nd</sup> Annual Chalk Art Festival; October 15, Destination Dignity; and October 29, the Jennifer Holliday concert at the Civic Center, with a private reception following.

**VIII. Farewell to Hattie Gipson and Wayne Hollinshead**

Ms. Pope presented the two members going off the Board, Hattie Gipson and Wayne Hollinshead, with a gift showing our appreciation for their many years of service.

*Ms. Shields recessed the regular meeting at 6:10 p.m.  
The Executive Session was convened by Ms. Shields at 6:12 p.m.*

**IX. Executive Session**

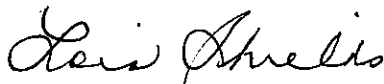
A. To consult with attorney regarding contemplated litigation pursuant to Section 551.071 of the Texas Open Meetings Act.

*Executive Session concluded at 6:23 p.m. The regular session reconvened at 6:24 p.m.*

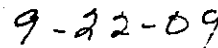
The next regularly scheduled meeting of the Board is September 22, 2009.

**X. Adjourn**

With no further business to come before the meeting, Ms. Shields adjourned the meeting at 6:28 p.m.



Approved by



Date