

**Texana Center
Board of Trustees
Minutes
Date: January 28, 2015**

On the above date the regular meeting of the Texana Center Board of Trustees was held in the Auditorium in Building G at 4910 Airport Avenue in Rosenberg, Texas.

MEMBERS PRESENT:

Anita Christensen, Secretary
Sue Fagan
J.C. Whitten
Willie Greer
Anita Christensen
Randy Reichardt

MEMBERS ABSENT:

Dianne Wilson, Board Chair
Dennis W. Young, Vice Chair
May Tape
Mary Rose Zdunkewicz

STAFF PRESENT:

George Patterson, Chief Executive Officer
Amanda Darr, Chief Financial Officer
Shena Timberlake, Director, Behavioral Healthcare
Dot Preisler, Director, Human Resources
Tracey Shaw, Director, Development & Community Relations
Sheri Talbot, Director, Authority and Admissions
Kevin Barker, Director, Provider Services
Kate Johnson-Patagoc, Director, IDD Specialized Services
Lori Marcus, Compliance Officer
Rhonda Hodges, Recording Secretary

GUESTS:

Larry Davis, Fort Bend NAMI
Doris Osci, Fort Bend NAMI
Alan Sandersen, Auditor, Sandersen Knox & Co., L.L.P.

**I. CALL TO ORDER, INVOCATION, DETERMINATION OF QUORUM,
RECOGNITION OF GUESTS, AND CORRESPONDENCE**

The meeting was called to order at 9:32 A.M. by J. C. Whitten, Acting Chair. Kevin Barker said the invocation. The Board Chair determined there was a quorum present to conduct the meeting. J. C. welcomed guests who were in attendance. There was no correspondence to discuss.

II. RECOGNITION OF ABSENCES

J.C. recognized Dianne Wilson, Mary Zdunkewicz, Dennis Young, and May Tape as being absent from the meeting.

III. PUBLIC COMMENT

J.C. recognized Doris Osci as wanting to make a public comment. Doris discussed the hope that this year there would be some finances available for opening a clubhouse in Fort Bend County. She would like Texana to collaborate with other businesses to get this done. She briefly discussed the benefits of having a club house for Behavioral Healthcare clients.

IV. APPROVAL OF MINUTES

- December 3, 2014 – Board of Trustees Meeting

J.C. questioned whether the Board had any additions or corrections to the minutes being submitted from the December 3, 2014 Board of Trustees meeting. No questions were asked and J. C. Called for a motion.

A motion was made by Sue Pagan to approve the minutes as submitted Anita Christensen seconded the motion. *Motion Carried.*

V. THE BOARD WILL CONSIDER AND TAKE ACTION ON THE FOLLOWING ITEMS:

1. Review and Consider Approval FY 2014 Financial Audit Report.

J. C. introduced Alan Sandersen of Sandersen Knox & Co. L.L.P. and asked him to present the FY 2014 Financial Audit report to the Board. Alan provided a brief review of the Financial Audit report concentrating on the Statement of Net Position, Statement of Activities, and the Balance Sheet. Alan stated they were expressing a clean/unqualified opinion of the FY 2014 Financial Audit. He asked if the Board had any questions for him. There were no questions from the Board. J. C. called for a motion to accept the FY 2014 Financial Audit report.

A motion was made by Willie Greer approving the FY 2014 Financial Audit report as presented. Sue Pagan seconded the motion. *Motion Carried.*

2. Review and Consider Reappointment of Crossroads Villas Board Members

J. C. asked Amanda to present her information on the reappointment of Crossroads Villas Board members.

Amanda stated the recommendation is that the Texana Board of Trustees reappoints the following members of the Crossroads Villas Board of Directors for two year terms, 2/25/15 - 2/25/17. Their current two year terms expire 2/25/15.

Larry Davis
J.C. Whitten
Amanda Darr
Shena Timberlake

She also mentioned that the Bylaws of Crossroads Villas require define that the directors shall be elected by the Board of Trustees of Texana Center, and at all times, be limited to individuals who have the approval of the Board of Trustees of Texana Center. The number of directors shall be not less than three (3) and not greater than seven (7). Each director shall serve for a term of two (2) years.

J. C. thanked Amanda for the information presented and called for a motion from the Board on the re-appointment of the Board of Directors for Crossroads Villas.

A motion was made by Anita Christensen approving the reappointment of Crossroads Villas Board Members as presented. Randy Reichardt seconded the motion. *Motion Carried.*

3. Review and Consider Approval of Property Purchase and Financing

J. C. asked Amanda to provide information on the Fulshear property purchase.

Amanda provided the following background information:

The Board Facilities and Long Range Planning Committee met in August and developed a set of recommendations to guide the planning for future space needs and development. With the continued expected growth in the northern section of Fort Bend County it was recommended to develop a campus or facility large enough to accommodate multiple disciplines or programs in the general area north of 1093, south of I-10 and west of the Grand Parkway.

Working with a realtor familiar with land in the area, a number of tracts of land meeting our size, location, access and budget parameters were identified and assessed. The recommendation is to purchase a 14.456 acre tract of land

located on FM 359 and Wallis Street in Fulshear. This site has many positive features that align with our objectives:

- Easy access from a major road – FM 359. Also, a more protected access from Wallis Street if desired.
- General access to the Fulshear area to be enhanced with the FM 1093 Westpark Extension with construction to begin in September 2015 and be completed in May 2017. This extension will bring the Westpark Tollway all the way to FM 359.
- Tract of land provides large frontage road access to facilitate access and development of the property.
- Large enough tract to accommodate current plans for the construction of a third location for the Children's Center for Autism and new Learning Center while maintaining additional space for future needs and growth
- Property includes several groves of large oak and cedar trees to enhance the development of the campus
- Located within the City of Fulshear with access to city water and sewer.

Amanda mentioned the next steps would include the following:

- Survey, appraisal and environmental assessment to be completed within the 90 due diligence period specified in the sales contract
- Closing to be completed with 90 days of signing of the contract – expected to be scheduled in late April
- The Board in December approved \$1,000,000 of fund balance for the purchase of property. \$800,000 will be used for the purchase of the property at closing and the remaining \$200,000 will be used to pay the interest only payments on the financing for a three year period. We expect to either pay off the loan balance by the end of the 3 year period or refinance the amount outstanding. By paying off the loan in the next three years we could count the amount we paid for the land in the calculation of owner provided funding for the construction financing.
- We have already engaged Ray + Hollington Architects to perform planning around our programming requirements which have been completed. Rick Hollington has toured the site and expects to complete preliminary recommendation around development of the land by the end of January. Upon completion of this planning phase we will engage Ray + Hollington for the development of schematic designs that will facilitate the kick-off of our capital campaign to raise funds for construction. We expect to have a schematic design and rendering available for fund raising within 90 days.

- Capital campaign expected to take 24 – 36 months or longer after which construction can be planned to begin.

There was a brief discussion regarding the land purchase and also the future renovations of the unused portion of the BH Clinic in Wharton for a Learning Center which will be used for Matagorda, Wharton and El Campo. George mentioned at this time, it is recommended we focus the capital campaign on the new property.

J. C. thanked Amanda for her presentation and called for a motion to authorize the following:

- Authorization to purchase 14.456 acres on FM 359 in Fulshear described as CR Scout Tract 104, Churchill Abstract 29, City of Fulshear for a sales price of \$1,800,000
- Authorization to secure a 3 year interest only loan with Prosperity Bank in the amount of \$1,000,000 at a floating interest rate of 3.5%
- Authorization for Amanda Darr, Chief Financial Officer, to sign and execute all documents related to the above actions

A motion was made by Willie Greer approving the Property Purchase and Financing as presented. Randy Reichardt seconded the motion. ***Motion Carried.***

4. Review and Consider Approval of December Financial Report

Amanda mentioned all of the divisions were in the black which is good news. She also mentioned today was payday for our DSRIP programs. The payment totaled \$2,156,411. Amanda briefly discussed the fund balance and mentioned that Kevin, Sheri and Kate were not over budget, they were previously approved to spend some fund balance for the purchase of 21 vehicles and other operating expenses.

J. C. thanked Amanda for the report and called for a motion.

A motion was made by Randy Reichardt approving the December 2014 financial report as presented. Willie Greer seconded the motion. ***Motion Carried.***

5. Review and Consider Budget Revision and Update on Community First Choice Implementation

J. C. asked Sheri Talbot to present her budget revision and update on the Community First Choice implementation.

Sheri mentioned she was submitting a budget revision to incorporate the costs and revenues for the implementation of Service Coordination in Community First Choice. As of this date, there are many unknowns regarding the implementation processes and funding for Community First Choice (CFC). However, DADS continues to state that the program will begin March 1, 2015. Below is additional information Sheri discussed in detail:

Revenue Summary:

In December, the Board approved the use of the General Fund Balance. The commitment of \$2,297,240 from the General Fund Balance included the following expenses for the Community First Choice Program: Vehicles, Computer Equipment, Furniture Equipment, and IDD Authority Activities. The Budget Revision includes \$164,832 revenue from the General Fund Balance for the implementation of Community First Choice.

In discussions with DADS and HHSC, there has been a commitment by the State to provide one-time start up funds for the implementation of Community First Choice. The State has not provided guidance in terms of the amount. The Budget Revision includes \$105,000 General Revenue (one-time start up funds) based on a projection of approximately 262 clients at a projected cost of \$400 each.

In discussions with DADS and HHSC, the implementation process for the Community First Choice begins with the Local Authority receiving a referral from the Managed Care Organization for eligibility determination and assessment. The Budget Revision includes \$76,776 Medicaid Revenue for Service Coordination and \$16,095. This revenue is based on current experience and assumes that the CFC program begins in March 2015 with 20 clients and grows to 120 clients by September 2015.

Expense Summary:

Identified approximately 120 people as a priority for eligibility determination and assessment, and I have projected 262 individuals eligible for CFC Service Coordination during calendar year 2015, based upon their age (21+), and their current enrollment with a Medicaid Managed Care Organization for STAR PLUS services. My intent is to maintain small caseloads of 20-30 initially until the process for the assessment and coordination with the Managed Care Organizations are well established. The Budget Revision projects the following expense needs for FY 2015:

Staff:

2 Service Coordinators, February – August
1 Service Coordination Supervisor, February – August
1 Administrative Specialist II, May – August
3 Service Coordinators, May – August

Computer Equipment, Telephones and IT Set Up:

7 staff, February – August

20 additional staff, August forward

This cost was included in the approved General Fund Balance allocation.

Transportation:

2 Vehicles

This cost was included in the approved General Fund Balance allocation.

Furniture Equipment

Furniture was ordered in January for 24 Touch Down stations to be located on the second floor of the West Campus Service Center. Additionally, 2 offices on the second floor currently occupied by ECI will be designated office space for the CFC Supervisor, Team Leader(s) and Support Staff.

This cost was included in the approved General Fund Balance allocation.

External Contracts

This cost is for contracting with an external entity to assist with the completion of eligibility determinations prior to the completion of CFC assessment. I have projected the need to complete 71 eligibility determinations for the 120 individuals identified as a priority by HHSC. *All other Cost Categories are based on current experience and allocations for building purchase, office equipment, travel, consumable supplies, utilities, telephone usage, and maintenance.*

J. C. thanked Sheri for her presentation. J. C. asked if the Board had any questions for Sheri. There were no questions were asked. J. C. called for a motion from the Board.

A motion was made by Anita Christensen approving the Budget Revision on Community First Choice Implementation as presented. Randy Reichardt seconded the motion. ***Motion Carried.***

VI. **THE BOARD WILL DISCUSS THE FOLLOWING ITEMS WITH NO ACTION REQUIRED:**

A. Update on the BTTC Pin Oak DADS ICF-IDD Program/Health Audit

J. C. asked Kate to provide an update on her recent audit.

Kate mentioned there was a recent audit at the Pin Oak ICF home which is located in Richmond, Texas. DADS perform two separate audits which includes "Program and Health" and "Life and Safety". Kate reported for the first time ever, we had zero deficiencies on the Program and Health portion of the audit. She also reported that there were two deficiencies on the Life and

Safety portion of the Audit. One was due to Texana being in the process of installing new time clock machines on the fire wall and hadn't had the chance to put the caulking around the machine (this was just installed the day prior to the audit) and the second one was due to a need for a resetting of the fire alarm. Both of these issues have been resolved. Kate thanked her staff and the HR Department's staff for their hard work during the audit.

VII. AN EXECUTIVE (CLOSED) SESSION WILL BE HELD FOR THE FOLLOWING PURPOSES:

The Board went into executive session at 11:05 A.M.

- Deliberation Regarding Current, Pending, or Anticipated Litigation
 - Madhu Rao v. Texana Center
 - Puleo v. Texana Center
 - Jessica Spencer and Shalaina James v. Texana Center

VIII. EXECUTIVE SESSION RETURN TO OPEN SESSION AND CONSIDER TAKING ACTION ON THE FOLLOWING:

- Deliberation Regarding Current, Pending, or Anticipated Litigation

The Board returned from executive session at 11:16 A.M. There was no action taken following the session.

IX. OTHER BUSINESS

J. C. announced that the Texana Tee-off golf tournament would be held on March 23, 2015 at the Weston Lakes Golf Club in Fulshear. He hopes to see everyone there and mentioned they were in need of big ticket auction items if anyone can assist in getting some donated.

X. NEXT BOARD OF TRUSTEES MEETING

J. C. announced that the next Board of Trustees meeting would be held on February 25, 2015. George mentioned we would notify the Board in advance if we find there is no need for a meeting.

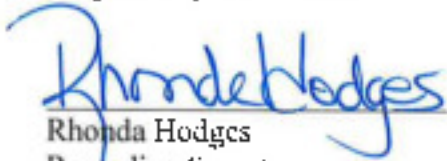
XI. ANNOUNCEMENTS

There were no further announcements.

XII. ADJOURN


The meeting adjourned at 11:20 A.M.

Respectfully submitted,



Rhonda Hodges
Recording Secretary

Approved:



5/27/15

Dennis Young Date
Vice-Board Chair