

**Texana Center  
Board of Trustees  
Minutes  
Date: July 27, 2016**

On the above date the regular meeting of the Texana Center Board of Trustees was held in the Auditorium in Building A at 4706 Airport Avenue in Rosenberg, Texas.

**MEMBERS PRESENT:**

Dianne Wilson, Board Chair  
Dennis W. Young, Vice Chair  
Anita Christensen, Secretary  
Sue Fagan  
May Tape  
Mary Rose Zdunkewicz  
Randy Reichardt

**MEMBERS ABSENT:**

J.C. Whitten  
Willie Greer

**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  
Beverly Davis  
Bertha Martin  
Doris Osei  
Wayne Allen  
Clifford Gay  
Shirley Jennings  
Mark Stoeltje, ED of San Antonio Clubhouse

Linda & Jo Jo, San Antonio Clubhouse

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

The meeting was called to order at 9:02 A.M. by Dianne Wilson, Chair. Dennis Young said the invocation. The Board Chair determined there was a quorum present to conduct the meeting. Dianne welcomed guests who were in attendance. There was no correspondence to discuss.

II. RECOGNITION OF ABSENCES

Dianne recognized J.C. Whitten and Willie Greer as being absent from the meeting.

III. PUBLIC COMMENT

There was no request for public comment from the guests in attendance. Dianne took a few minutes to mention J. C. Whitten was retiring from the Texana Board of Directors effective 8/31/2016. Fort Bend County Commissioners court nominated Dr. Mary desVignes-Kendrick to replace him on the Board effective 9/1/2016. Dianne mentioned she would be looking for someone from the Board to replace J.C. on his various boards and committees including as a Trustee Representative for the PNAC Committee, a representative for the Texas Council Board of Directors, a representative on the Texas Council Risk Management Committee Board of Directors, and a representative for the Crossroads Villa's Board. She asked if any Board members interested in one of the positions to please contact her.

IV. APPROVAL OF MINUTES

- May 25, 2016 – Board of Trustees Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the May 25, 2016 Board of Trustees meeting. Dianne mentioned a change was needed on page 7 of the Board Packet to correct her name as being absent from that meeting. There were no other changes needed. so Dianne called for a motion.

A motion was made by Dennis Young to approve the May 25, 2016 minutes to include the correction as discussed. Mary Zdunkewicz seconded the motion. **Motion Carried.**

V. CONSENT AGENDA ITEMS

- Approval of Leases (All V)

Kevin Barker presented the lease information on the following three leases to the Board.

**Cotter Lane Group Home** - located in Richmond, TX, \$1,200 per month, Term: 9/1/2016 – 8/31/2018, Arc of Fort Bend County

**Brazos Glen Group Home** - located in Richmond, TX, \$1,200 per month, Term: 9/1/2016 – 8/31/2018, Arc of Fort Bend County

**Old Caney Road Group Home** - located in Wharton, TX, \$1,575 per month, Term: 9/1/2016 – 8/31/2020, Wayne Allen

Dianne thanked Kevin for his presentation and questioned whether the Board had any questions. Hearing none, she called for a motion.

A motion was made by May Tape to approve the Leases as submitted. Anita Christensen seconded the motion. **Motion Carried.**

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

1. Review and Consider Approval of May 2016 Financial Report

Amanda began by stating that at the Texas Council Conference held in San Antonio in June, she had the opportunity to visit with many Board members in an informal setting outside of the Board meetings and received feedback from several that it can be challenging to wade through the financial reports to get an overall sense of how things are going. Based on that feedback and in an effort to highlight the most important aspects of the financial status of the Center she plans to use this brief dashboard summary which will show the financial position year to date for each operating division. Amanda's goal is to provide financial updates in a format that provides the information that Board members need for their fiduciary oversight responsibilities without complicating the presentation of the data with a level of detail that is not value added. Amanda asked for the Board's feedback on the presentation format so that she can meet their needs for appropriate financial information.

Revenues	\$ 12,118,862
Expenses	\$ (11,739,516)
<i>Behavioral Healthcare Services</i>	<b>\$ 379,346</b>
Revenues	\$ 10,140,888
Expenses	\$ (14,654,643)
<i>ICD Provider Services</i>	<b>\$ 486,696</b>
Revenues	\$ 8,111,677
Expenses	\$ (3,664,491)
<i>ICD Authority Services</i>	<b>\$ 118,186</b>
Revenues	\$ 5,642,410
Expenses	\$ (6,497,742)
<i>ICD Specialized Services</i>	<b>\$ 45,701</b>
Revenues	\$ 2,640,684
Expenses	\$ (5,705,281)
<i>OSHIP Programs</i>	<b>\$ 1,188,408</b>

Dianne stated she would like there to be a notation of some type which will detail any issues which may be coming up in the future which will impact some of the variances. Amanda mentioned in the May 2016 Board packet, she included a section on Emerging issues which would highlight issues which would be of interest to the Board. This would provide the Board with a narrative of the financials. Following a discussion by the Board, it was determined Amanda will continue to provide the detailed reporting along with a narrative highlighting information which would be of importance to the Board.

Dianne thanked Amanda for the report and called for a motion.

A motion was made by Mary Zdunkewicz to approve the May 2016 Financial Report as presented but asking for additional detailed information on future reports. Randy Reichardt seconded the motion. **Motion Carried.**

2. Review and Consider Approval of Plan to Achieve Minimum Assigned Fund Balance Reserve

Dianne asked Amanda to present her information regarding the Fund Balance Reserve.

Amanda provided a brief review concerning the Center experiencing dramatic changes in reimbursement associated with a healthcare system which is undergoing a period of transformation. These changes are placing extreme pressures on the cash flow of Center operations, impacting the ability of the Center to be proactive in taking advantage of opportunities to better serve the community. A review of the Unassigned Operating Reserve of Texas Centers supports the growing reality that Centers are leaving behind the outdated standard of the adequacy of 60 days of reserve and moving to be in line with other healthcare providers, such as hospitals, which maintain much larger reserves in order to compete in today's markets. Amanda reminded the Board that at the May Board meeting it was approved moving the minimum assigned fund balance from 60 to 90 days in the Board Policies and receiving a plan on how to achieve this from the SLT at the July Board meeting. Amanda mentioned the current financial audit for FY 2015 shows that Texana Center has 57.5 days of unassigned fund balance which is 27.5 days below the state-wide median of 85 days. Assuming a base budget of \$50 millions, Texana would need to add \$4.7 million to achieve a 90 day unassigned reserve.

Amanda completed her review with the following SLT recommendations to the Board in order to achieve a minimum 90 days unreserved fund balance by the end of year 2020. She also mentioned this recommendation was not cast in stone and could be altered at any time by the Board if something were to change:

- a. FY 2016: Direct any excess revenues over expenditures at year end to the unassigned fund balance
- b. FY 2017: Include 1% of budgeted revenues to be directed to the unassigned fund balance = approximately \$600,000
- c. FY 2018: Include 2% of budgeted revenues to be directed to the unassigned fund balance = approximately \$1,200,000
- d. FY 2019: Include 2% of budgeted revenues to be directed to the unassigned fund balance = approximately \$1,200,000
- e. FY 2020: Include 2% of budgeted revenues to be directed to the unassigned fund balance = approximately \$1,200,000

Amanda asked if the Board had any questions. Following a brief discussion, Dianne called for a motion.

A motion was made by May Tape to approve the Plan to Achieve Minimum Assigned Fund Balance Reserve as presented. Sue Fagan seconded the motion. **Motion Carried.**

### 3. Annual Review of Investment and Cash Management Procedure

Dianne asked Amanda to provide the information for the annual review of the Investment and Cash Management Procedure.

Amanda provided the Board with a copy of Texana's Investment and Cash Management Procedure in the Board packet. She asked the Board if they had any questions for her regarding the procedure. There were no questions from the Board. Dianne called for a motion.

A motion was made by Mary Zdunkewicz to approve Texana's Investment and Cash Management Procedure as presented. Sue Fagan seconded the motion. **Motion Carried.**

### 4. Review and Consider Approval of Architectural Agreement for Phase I Fulshear Development

Dianne asked Amanda to present information on the Architectural Agreement for Phase I Fulshear Development. Amanda presented background information regarding the project which included past approvals by the Board to use Fund balance to purchase the land and the actual purchase of the land in Fulshear in 2015. To date, fundraising for the project is in progress and a total of \$75,000 has been received to date. She also discussed that at the Board meeting in May 2016, the project was divided into three phases in order to facilitate and expedited presence and delivery of services at the Fulshear location. Phase I will provide a full array of services but on a smaller scale. This phase will include a building of approximately 4,500 square feet

situated on 1 acre of land. Anticipated construction costs are \$1,150,000 and a six month construction time. She mentioned Tracey and George had met with the George Foundation where they asked for Texana to submit a letter for inquiry, which Tracey is in the process of and hopes to submit prior to leaving on vacation next week. In order to be ready to move forward if the George Foundation and others decides to assist in funding this project, we are ready to proceed with the project. Amanda completed her review by recommending the Board of Trustees approve the following actions:

- Authorize a contract with Ray + Hollington Architects for services related to Phase I of the Fulshear Development Project
- Authorize a construction manager delivery model for the Fulshear Development Project
- Authorize the selection of the construction manager to the Chief Executive Officer from an invited request for proposals process

Mary questioned whether there other construction companies being considered for the project. Amanda replied that the four construction companies being recommended are companies identified by the Architect identified as a good fit for the scope of our project. Following a brief discussion, Dianne called for a motion.

A motion was made by Dennis Young to approve authorizing a contract with Ray + Hollington Architects for services related to Phase I of the Fulshear Development Project. Authorize a construction manager delivery model for the Fulshear Development Project, and Authorize the selection of the construction manager to the Chief Executive Officer from an invited request for proposals process. Anita Christensen seconded the motion. **Motion Carried.**

#### 5. Review and Consider Approval of FY 2017 Board of Trustees Meeting Schedule

Dianne presented the FY 2017 Board of Trustees Meeting Schedule to the Board and asked if they had any questions. Anita suggested additional meetings be scheduled as there are times when there is too much time between meetings. Randy suggested special meetings are scheduled if a meeting is needed rather than add additional meetings and have to cancel one. Dennis also agreed with keeping the limited schedule. May questioned whether meetings be moved to other Counties, so Board members have an opportunity to see the other Counties. Dianne provided some history of past meetings which used to be held in other locations. Randy suggested annual Board training be scheduled, which will help all Board members have a better understanding of the programs. Several members of the SLT mentioned they would be happy to discuss their programs in detail or offer tours to any Board member at any time. Following a brief discussion it was decided to add a

date for Board Training which would include a tour of our various programs, possibly a Friday.

A motion was made by Randy Reichardt to approve the FY 2017 Board of Trustees Meeting Schedule with an update to include a date for Board Training. May Tape seconded the motion. **Motion Carried.**

6. Review and Consider Approval of FY 2017 Texana Center Holiday Schedule

Dianne presented the FY 2017 Texana Center Holiday Schedule to the Board. It was mentioned that the Holidays presented are the same as last year.

A motion was made by Mary Zdunkewicz to approve the FY 2017 Texana Center Holiday Schedule as presented. Dennis Young seconded the motion. **Motion Carried.**

7. Review and Consider Approval of FY 2017 Election of Officers for the Texana Center Board of Trustees

May Tape presented the nomination of officers for FY 2017. The recommendation was to nominate Dianne Wilson for Board Chair, Dennis Young for Vice-Chair and Anita Christensen for Secretary.

A motion was made by Randy Reichardt to approve the FY 2017 Election of Officers for the Texana Center Board of Trustees as presented. Sue Fagan seconded the motion. **Motion Carried.**

8. Review and Consider Approval of FY 2017 Texana Center Organizational Chart

George presented the FY 2017 Organizational Chart to the Board. He mentioned there were no structural or significant changes.

A motion was made by Mary Zdunkewicz to approve the FY 2017 Texana Center Organizational Chart as presented. Anita Christensen seconded the motion. **Motion Carried.**

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

a) Report on PNAC

There was no time for a report on PNAC; therefore this will be added to the September 28, 2016 meeting agenda.

b) Update on Texana Learning Center of Bellville

There was no time for a report on the Texana Learning Center of Bellville; therefore this will be added to the September 28, 2016 meeting agenda.

c) Update on HCS Audit

There was no time for a report on the HCS Audit; therefore this will be added to the September 28, 2016 meeting agenda.

d) Presentation from San Antonio Clubhouse, Mark Stoeltje, Executive Director

Dianne introduced Mark Stoeltje, Executive Director of San Antonio Clubhouse. Mark and two of the clubhouse members, Linda and Jo Jo presented information on the San Antonio Clubhouse to the Board.

VIII. EXECUTIVE SESSION

***The Board went into Executive Session at 10:25 A.M.***

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

1. Evaluation of CEO and Consider Taking Action Regarding Compensation and Benefits
2. Deliberation Regarding Current, Pending, or Anticipated Litigation

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

***There was no action on the following items as there was no time. Both of these items will be added to the September 28, 2016 agenda.***

1. Evaluation of CEO and Consider Taking Action Regarding Compensation and Benefits
2. Deliberation Regarding Current, Pending, or Anticipated Litigation

X. OTHER BUSINESS

There was no other business discussed.

XI. NEXT BOARD OF TRUSTEES MEETING

Dianne announced the next Board of Trustees meeting would take place on September 28, 2016 at 10:00 A.M.



XII. ANNOUNCEMENTS

None

XIII. ADJOURN

The meeting adjourned at 1:27 P.M.

Respectfully submitted,

  
Rhonda Hodges  
Recording Secretary

Approved:

 9/28/16  
Dianne Wilson      Date  
Board Chair