

**Texana Center
Board of Trustees
Minutes
Date: March 22, 2017**

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:

Dianne Wilson, Board Chair
Dennis W. Young, Vice Chair
Anita Christensen, Secretary
Mary desVignes-Kendrick
Willie Greer
May Tape
Randy Reichardt

MEMBERS ABSENT:

Sue Fagan
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:

Pat Surpner, Fort Bend NAMI
Louise Nutzman, Volunteer, Fort Bend Club House
Carl Nutzman, Parent

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

The meeting was called to order at 9:00 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 Sue Fagan and Mary Rose Zdunkewicz as being absent from the meeting.

III. PUBLIC COMMENT

Dianne recognized Pat Sumner, Louise Nutzman and Carl Nutzman as wanting to make a public comment.

Pat Sumner briefly discussed the new Fort Bend Club House which is currently open for business. She also mentioned the Club House was joining the NAMI Walks event on May 6th and hopes Texana will be able to have a team and join them for this event.

Louise Nutzman mentioned she recently became a volunteer of the Fort Bend Club House. Her son currently attends the Club House. She briefly discussed how the Club House is touching lives.

Carl Nutzman mentioned he was in support of his spouse Louise and the Club House, but also wanted to discuss the recent Financials for Texana Center. Carl briefly discussed his concerns based on his understanding that Texana's finances were supposed to be split 50/50 between Behavioral Healthcare Services and Individuals with Intellectual and Developmental Disabilities Services.

Dianne thanked Pat, Louise and Carl for their comments. She mentioned Carl may get a better understanding of the financials when Amanda provides her review later in the meeting.

IV. APPROVAL OF MINUTES

- January 25, 2017 – Board of Trustees Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the January 25, 2017 Board of Trustees meeting. Mary desVignes-Kendrick asked that her name be added to the list of Board member attendees in place of J.C. Whitten and also asked that a correction be made on page 9 under "Review of the December 2016 financials" to edit the portion which states "her new office building" to list "a

new BH office building". There were no further updates or questions. Dianne called for a motion.

A motion was made by Willie Greer to approve the minutes including changes as discussed. Dennis Young seconded the motion. **Motion Carried.**

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

1. Review and Consider Engagement of Independent Auditors

Dianne asked Amanda to present the information on the engagement of Independent Auditors.

Amanda provided the following background information to the Board:

The Center is required to obtain a comprehensive financial and compliance audit each year in accordance with the Texas Health and Safety Code Section 534 and the Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. The Center can engage the same audit firm for no more than any six consecutive years. The firm of Davis Kinard & Co performed the audit of the Center for FY 2016. The attached audit engagement letter is for a one year engagement.

Pursuant to Texas Government Code, Chapter 2254, Subchapter A, professional services including financial auditing are subject to bidding requirements and a sole source method of procurement may be used.

Amanda ended her review with the recommendation that the Board of Trustees approve the Audit Engagement of Davis and Kinard & Co, PC to provide the Annual Financial Audit for the year ended August 31, 2017 for an amount not to exceed \$32,450.

Dianne thanked Amanda for her presentation and asked if the Board had any questions. There was no further discussion. Dianne called for a motion.

A motion was made by Randy Reichardt to approve the Audit Engagement of Davis and Kinard & Co, PC to provide the Annual Financial Audit for the year ended August 31, 2017 for an amount not to exceed \$32,450 as submitted. May Tape seconded the motion. **Motion Carried.**

2. Review and Consider Approval of February 2017 Financial Reports

Dianne asked Amanda to provide a review of the February 2017 financial reports. Amanda provided a brief review of the following financial report which covers the period of September 1, 2016 through February 28, 2017. She pointed out that the Center as a whole has excess revenues over expenditures of \$4.3 million. She also discussed the fact that in January 2017 we received a \$5.8 million payment for DSRIP services provided over the past two years. Amanda briefly discussed the various funding sources such as the State contracts, Medicaid, Grants and Counties some of which dictate how the money must be spent. She also discussed recent legislation and the impact on many of Texana's programs. Amanda also briefly discussed recent legislation including House Bill 3930 which was actually authored by Kate Johnson-Patagoc and House Bill 2913 which was authored by Shena Timberlake. Both bills are being sponsored by Representative Rick Miller. Amanda completed her review by discussing recent issues with our Early Childhood Intervention (ECI) program. It is estimated we serve over 1000 children each year. Mary des-Vignes-Kendrick requested that a copy of House Bill 3930 and 2913 be sent to all Board members.

Year to Date Financial Report
September 1, 2016 – February 28, 2017

Revenues \$ 31,479,758
Expenses \$ (27,191,865)
Texana Center Total \$ 4,287,894

Summary by Program Division

Revenues \$ 7,764,616
Expenses \$ (6,983,146)
Behavioral Healthcare Services \$ 781,470

Revenues \$ 8,789,271
Expenses \$ (8,757,182)
IDD Provider Services \$ 32,089

Revenues \$ 2,260,588
Expenses \$ (2,250,166)
IDD Authority Services \$ 10,421

Revenues \$ 5,738,022
Expenses \$ (5,547,573)
IDD Specialized Services \$ 190,449

Revenues \$ 6,520,511
Expenses \$ (3,653,799)
DSRIP Projects \$ 2,866,712

Dianne thanked Amanda for her review and asked if the Board had any questions about the February 2017 financial reports. Hearing no questions, Dianne called for a motion.

A motion was made by Willie Greer to approve the February 2017 financial reports as submitted. May Tape seconded the motion. *Motion Carried.*

3. Review and Consider Approval of the Replacement of Roof for the Sugar Land Clinic

Dianne asked Amanda to present the information on the replacement of the roof for the Sugar Land Clinic.

Amanda provided a brief review of the following:

The Texas Health and Safety Code and the Texas Administrative Code both require that construction and renovation projects that exceed \$50,000 per project must be submitted for approval to the appropriate state agency if state funds will be used in the construction or renovation. The Board minutes must reflect approval of the project and be submitted with the written request for approval for the use of state funds.

The roof on the Sugar Land Behavioral Health Clinic is the original roof that was installed during new construction in approximately 2006. It is a pitched roof with eight dormers that has concrete roof tiles installed on a 5/8" OSB (Oriented Strand Board) decking. The roof is experiencing cracks in the concrete tiles which is resulting in interior leaks and well as leaks associated with the poor quality of installation when constructed. We have had repairs made twice within the last year to the both the shingles and the underlying decking. The OSB is deteriorating due to the leaks and has had to be replaced in certain sections to address the leaks.

We have had a preliminary review of replacing the roof made by a local roofing professional and determined that options include replacing with a 5-tab asphalt shingle or a standing seam metal roof. Estimated cost is expected to range from \$50,000 to \$125,000 based on the type of roofing selected.

The First Colony Home Owners Association will have to approve the roofing selected before the City of Sugar Land will issue a building permit. Our plan is to issue the project for competitive bids, assess the best option for replacing the roof, submit for review/approval of the home owners association and proceed with the replacement of the roof. Funds to complete the project are included in the FY 2017 operating budget and with approval of HHSC will be paid with state general revenue funds included as part of our performance contract with HHSC-legacy DSHS.

Dianne thanked Amanda for her review and asked the Board if they had any questions regarding the new roof for the Sugar Land BH Clinic. There was a brief discussion on using Asphalt versus Metal for the roof. It was determined that final determination on which type of roof to use would be up to Senior Leadership.

A motion was made by Randy Reichardt to approve the replacement of the roof at the Sugar Land Behavioral Health Clinic located at 2535 Cordes Drive, Sugar Land, TX 77479 for an amount not to exceed \$125,000. May Tape seconded the motion. **Motion Carried.**

4. Review and Consider Approval of Phase I Construction Project in Fulshear Contingent upon Securing Funds Through the Capital Development Efforts

Dianne asked Amanda to present the information on the Phase I Construction Project in Fulshear.

Amanda provided the following background information:

- In August 2014, the Board Facilities and Long Range Planning Committee met 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. Texana entered into an agreement with Ray + Hollington Architects for Facilities Programming and Planning Services.
- In December 2014 the Board approved \$1,000,000 of fund balance for the purchase of property. \$800,000 to be used for the purchase of the property at closing and the remaining \$200,000 to be used to pay the interest only payments on the financing for a three year period
- In January 2015 the Board authorized the purchase of 14.458 acres on FM 359 in Fulshear for a sales price of \$1,800,000 and in March 2015 closed on the purchase of the Fulshear Property.
- At the May 2016 meeting, discussion the Fulshear Project has been divided into three phases in order to facilitate an expedited presence and delivery of services at the Fulshear location. Phase I would provide the full array of services but on a smaller scale. Phase I would include a building of approximately 4,500 square feet situated on 1 acre of land.

- In July 2016, the Board authorized a contract with Ray + Hollington Architects for architectural services for Phase I activities. Design and development through the production of construction documents is anticipated to take 4- 5 months to complete. Funding for the architectural services will be from the capital campaign funds that have been already been received.
- As we have done on other large projects, including the construction of the West Campus, we recommended the use of a construction manager model in order to leverage opportunities for value engineering the development of the project. In August 2016 we issued an RFP for Construction Manager Services and conducted interviews with three companies in September 2016. Fretz Construction was selected as the construction manager for the project.
- In November, 2016 preliminary pricing based on the schematic drawings was prepared by Fretz Construction and reviewed with the project team with an expectation that actual costs could vary by 5 – 7 % when the project is actually issued for bid with the subcontractors.
- Based on this construction estimate, a \$1.5 Million grant application was submitted to the George Foundation in January, 2017. On March 6, 2017 representatives from the George Foundation toured the Texana Children's Center for Autism in order to better understand the type of services we plan to develop in Fulshear. The George Foundation Board will consider our grant proposal at their next quarterly meeting on March 28th, and we expect to learn of their decision in April, 2017.
- The Texas Health and Safety Code and the Texas Administrative Code both require that construction and renovation projects that exceed \$50,000 per project must be submitted for **notification only** to the appropriate state agency if **no state funds** will be used in the construction or renovation. The Board minutes must reflect approval of the project and be submitted with the **written notification to the state**.

Amanda ended her review by asking that the Board consider approving the construction of Phase I of the Fulshear project contingent upon securing funds through the ongoing capital development efforts.

Dianne thanked Amanda for her review and asked the Board if they had any questions regarding the construction of Phase I Fulshear project. Mary des-Vignes-Kendrick questioned whether the purchase price for the property changed from 2014 to 2017. Amanda replied that the price has not changed over the years.

A motion was made by Dennis Young to approve the construction of Phase I of the Fulshear project contingent upon securing funds through the ongoing capital development efforts. Randy Reichardt seconded the motion. **Motion Carried.**

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

- Review of FY 2016 Compliance Report

Dianne asked Lori Marcus to present the FY 2016 Compliance Report.

Lori provided a detailed review of the FY 2016 Compliance report.

Texana Center continues to be committed to providing an ethical environment for its employees. To accomplish this, we provide training to all employees to ensure understanding of the Compliance Program as well as the expectations while employed here at Texana. The staff are also introduced to the Business Code of Conduct and made aware of any updates to this procedure.

In FY17, the Compliance Officer will hire a Quality Management Coordinator to assist with monitoring the Center's Compliance program.

There was a brief discussion regarding complaints against staff. Lori stated on any complaints by a client against a staff member that the staff member is immediately removed from working with that client until the investigation is completed. She also discussed that in some cases if Texana has proof that a staff member is guilty, the employee is immediately terminated.

Dianne thanked Lori for her report.

VII. EXECUTIVE SESSION

The Board entered into closed executive session at 10:34 A.M.

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

- Deliberation Regarding Current, Pending, or Anticipated Litigation
 - Madhu Rao v. Texana Center

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

The Board returned from closed executive session at 10:40 A.M. There was no action taken from this session.

- Deliberation Regarding Current, Pending, or Anticipated Litigation

IX. OTHER BUSINESS

X. NEXT BOARD OF TRUSTEES MEETING

Dianne reminded the Board that the next **Texana Center Board of Trustees meeting** will be held on **May 24, 2017 at 9:00 A.M.** Dianne mentioned she would not be in attendance at this meeting and that **Dennis Young** would be the acting Board Chair in her absence.

XI. ANNOUNCEMENTS

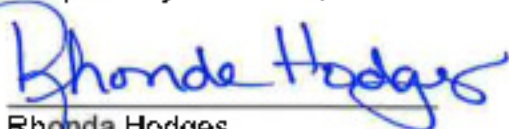
Dianne reminded the Board that the **annual Texana Tee-off golf tournament** would be held on **Monday, April 10th**. She asked that anyone wanting to volunteer or play in the tournament contact **Tracey Shaw**.

Dianne also reminded the Board that the **Texas Council Conference** was being held at the **Moody Gardens Hotel in Galveston on June 28 through the 30th**.

XII. ADJOURN


The meeting adjourned at **10:43 A.M.**

Respectfully submitted,



Rhonda Hodges
Recording Secretary

Approved:


Dennis W. Young Date
Vice-Chair (Acting Chair)