

MINUTES

THE DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES BOARD OF TRUSTEES MEETING

SEPTEMBER 22 , 1987

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Dan D. Dominey, Vice Chairman
Mr. Perry Sampson, Secretary
Rev. Ed Dodson, Treasurer
Mr. Ward R. Burke
Mr. George E. Gee
Judge Charles English
Mrs. Beth Brice

BOARD MEMBERS ABSENT:

Rev. Robert Carter
Nancy Speck, Ph.D.

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. Sandy Skelton	MHMR
Mr. Larry Heaton	MHMR
Mr. George Patterson	MHMR
Mr. Joe McCulley	MHMR
Mrs. Sandy Vann	MHMR
Mr. Ray Scott	Marsellos and Scott
Mr. Wayne Haglund	Cassels and Haglund
Mr. Jerry Benson	Association for Human Development
Ms. Sheryl Taylor	MHMR
Ms. Nancy Jones	MHMR
Mrs. Marsha Ford	MHMR

The 177th meeting of the Board of Trustees was held in the Ward R. Burke Community Room of the Central Administration facility, 4101 South Medford Drive, Lufkin, on Tuesday, September 22, 1987 at 2:00 P.M.

INVOCATION: Mr. Perry Sampson gave the invocation.

CALL TO ORDER: Judge Sturrock called the meeting to order at 2:00 P.M. in order for Board members and staff to review and discuss the FY 1988 Operating Budget. Action on this item will be taken at the regular 5:30 P.M. meeting of the Board.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 5:30 P.M. He recognized Mr. Ray Scott of Marsellos and Scott, Mr. Wayne Haglund, the Center's Attorney, Mr. Jerry Benson, member of the Angelina County Association for Human Development, and Sheryl

Taylor, Nancy Jones, and Marsha Ford of the MHMR staff who were in attendance.

Judge Sturrock announced appointments to Board Committees for FY 1988 as follows:

Budget and Finance Committee

Rev. Ed Dodson, Chairman
Mr. Dan D. Dominey
Judge Charles English

Program Committee

Ward R. Burke, Chairman
Judge Allen Sturrock
Mr. George E. Gee

Personnel and Public Education Committee

Perry Sampson, Chairman
Nancy Speck, Ph.D.
Rev. Robert Carter

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the August Board Meeting, on a motion by Mr. Sampson, seconded by Mr. Gee, the Board unanimously approved the Minutes of the August 25, 1987 Board Meeting.

Item IV-B-2 was taken up at this time in order that Mr. Scott and Mr. Benson could make their presentation and leave the meeting if they desired.

Consideration of Bids for Angelina County MHMR Center: On a motion by Mr. Burke, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT they do hereby approve the award of a contract for construction to Broxson Construction Company in the amount of \$534,500.00 for the construction of the Angelina County MHMR Center building, THAT each of the bid proposals be incorporated within the Minutes of this Board Meeting by reference, and THAT Deep East Texas MHMR Services participate in the financing of the project by providing a lien to the property dedicated to the project, and THAT they do therefore authorize Jim McDermott, Ph.D., Executive Director, to sign the contract for construction as the MHMR representative for the Joint Venture established to construct the building.

Mr. Scott discussed the various bids received and reported that even though there had been some discussion about going with a company other than the low bidder, Broxson Construction Company had good references from past jobs and his firm recommended that the bid from Broxson Construction Company be selected. Mr. Haglund discussed the legal ramifications of selecting someone other than the low bidder. Mr. Haglund also reported that the financial institution does expect to have a lien on the property. Mr. Benson explained the reason that the Angelina County Association for Human Development had recommended Timberline Construction Company was to have a local builder, but stated that the Board has agreed to support going with the low bidder.

EXECUTIVE DIRECTOR'S REPORT:

1. The issue of conservatorship of a nine-year old child receiving our services was discussed. The school system says the child must have a guardian in order to be enrolled, and DHS says they won't take conservatorship of the child because there has been no abuse or neglect and the mother has not been declared incompetent. Mr. Burke, Mr. Haglund, and Dr. McDermott will meet to further discuss this issue.

2. Call on Directors for Reports

Director, Business Services

- a. Local Match Report. Linda reported that 96% of funds have been received for FY 1987, and that 65% of the pledges have been received for FY 1988.

Director, Residential Services

- a. Progress at Peavy Switch. Sandy reported that L. Richardson and Sons have begun construction; they are laying the water line; 15 acres of land have been cleared; roads are being built; and the barn will be in shortly. Equipment has been purchased and is being stored temporarily at a neighbor's barn. Two farmers have been hired and are now on the job.
- b. Report on ICF Survey. The ICS Survey in Kirbyville went very well. There were only 14 minor deficiencies.

Director, Special Services

- a. Plans for MHMR Month. Nancy Jones and Sheryl Taylor discussed the Nacogdoches Center's plans for May MHMR Month. They propose to recruit a well-known public figure to spend an entire day going through the pro-

grams in Nacogdoches County, and have a crew from KTRE-TV follow the guest and put together a film documentary. Board members may be called upon at a later time to help find the celebrity, but at this time they plan to ask Nancy Reagan.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

Budget and Finance Committee - Rev. Robert Carter, Chairman

Consideration of Treasurer's Report: On a motion by Mrs. Brice, seconded by Rev. Dodson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Balance Sheet, Operating Statement, Statement of Changes in Fund Balance and Reserve, Internal Advances - Accounts Receivable, Internal Advances - Accounts Payable, and Budget Summaries of Receipts and Expenditures for the month of August, 1987 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board meeting.

Consideration of Fiscal Audit Compliance Report: The Board heard a Compliance Report from the Executive Director concerning the Fiscal Auditors' recommendations. Dr. McDermott stated that all suggestions from the auditors have been implemented. No action was required.

Consideration of Establishing Line of Credit: The Board voted unanimously to table this item until further research has been done on this matter. Dr. McDermott discussed the possibility of consolidating our operating account and some Certificates of Deposit in a large bank that could give us services which a smaller bank cannot provide. He and Linda will investigate this matter further and possibly request Board action at the October meeting.

Consideration of Revised Fee Schedule: On a motion by Rev. Dodson, seconded by Mrs. Brice, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed revised Fee Schedule be approved as submitted; THAT it become effective October 1, 1987, and THAT a copy of the document be maintained in the office of Business Services.

Consideration of Equipment Purchase: On a motion by Mrs. Brice, seconded by Rev. Dodson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Center purchase a restaurant range for the Shelby Residential Facility; THAT the Executive Director be authorized to sign and issue the purchase order; and THAT copies of bids be maintained on file in the office of Business Services.

Consideration of Expenditure of Surplus Funds: On a motion by Rev. Dodson, seconded by Mrs. Brice, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board approve the proposed method for the disposition of FY 1987 surplus funds, THAT the Board approve the proposed expenditures from the FY 1987 surplus funds during FY 1988, and THAT a copy of said proposals be kept in the office of the Executive Director.

Consideration of FY 1988 Operating Budget: On a motion by Mrs. Brice, seconded by Rev. Dodson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the FY 1988 Contract for Services and Operating Budget be approved as submitted; THAT the Board Chairman be authorized to sign the Contract and Budget Transmittal Form; and THAT copies of the documents be maintained on file in the office of Business Services.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Semi-Annual Board Workshop: The Board voted unanimously to table this item until next month's meeting.

Consideration of Nominees to Professional Staff Organization: On a motion by Judge English, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Michael J. Sabo, D.P.M., and Thomas L. Willis, M.D., be approved for reappointment to the Professional Staff of the Pineywoods Regional Treatment Center; and THAT a list of Professional Staff members be kept on file in the office of the Executive Director.

Consideration of Bids for Peavy Switch Farm Projects (In Three Parts):

Part 1: Consideration of Bids for Pickup Truck for Peavy Switch Farm: On a motion by Mr. Burke, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid submitted by Al Meyer Ford, Inc. in the amount of \$9,977.00 for the purchase of a 1987 Ford pickup truck for Peavy Switch Farm be approved as submitted, THAT the Executive Director be authorized to sign all paperwork associated with this project, and THAT each of the bid proposals be incorporated within the Minutes of this Board meeting, as well as kept on file in the Business Office.

Part 2: Consideration of Bids for Septic System for Peavy Switch Farm: On a motion by Mr. Burke, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid submitted by Root Construction Company in the amount of \$15,110.00 for the installation of a septic system for Peavy Switch Farm be approved as submitted, THAT the Executive Director be authorized to sign all paperwork associated with this purchase, and THAT each of the bid proposals be incorporated within the Minutes of this Board meeting, as well as kept on file in the Business Office.

Part 3: Consideration of Bids for the Construction of a Barn and Associated Site Utilities at Peavy Switch: On a motion by Mr. Burke, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid submitted by Root Construction Company in the amount of \$34,278.00 for the construction of a barn and associated site utilities at Peavy Switch Farm be approved as submitted, THAT the Executive Director be authorized to sign all paperwork associated with this project, and THAT each of bid proposals be incorporated within the Minutes of this Board meeting, as well as kept on file in the Financial Services office.

Personnel and Public Education Committee - Mr. Perry Sampson, Chairman

Consideration of Plans for Volunteer Recognition Banquet: On a motion by Mr. Gee, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the plans, Invitation List, and Awards List for the Eleventh Annual Volunteer Recognition Banquet be approved a submitted.

Consideration of Resolution of Appreciation: On a motion by Mr. Sampson, seconded by Mr. Gee, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board Chairman, Board Secretary, and the Executive Director be authorized to sign and present a Resolution of Appreciation to Mrs. Beth Brice, and THAT a copy of the Resolution be attached to the permanent Minutes of this Board meeting.

Consideration of Affirmative Action Plan: On a motion by Mr. Dominey, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board approve the FY 1988 Affirmative Action Plan as submitted, and THAT this Affirmative Action Plan be included in the Board Policy Manual.

Consideration of Content Insurance for MHMR Facilities: On a motion by Mr. Gee, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the facility content insurance be revised as submitted, THAT the Electronic Equipment insurance policy be increased to provide coverage for the personal computers in the facilities, and THAT copies of the policies be maintained in the Personnel Office.

Consideration of Personnel Matters (In Four Parts):

The meeting was called into Executive Session to consider personnel matters brought before the Board by the Executive Director according to Article 6252-17, Section 2(g) of the Open Meetings Law. The Chairman excused guests from the meeting room at 7:17 P.M., stating that no Board action would be taken until the meeting was reopened.

Executive Session

Chairman Sturrock reopened the meeting to the public at 7:28 P.M. and asked Board consideration of the following items:

Part 1: Consideration of Executive Director's Contract with the Board: On a motion by Mr. Dominey, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board renew the three-year employment contract with the Executive Director as submitted covering the time period from September 1, 1987 through August 31, 1990, and THAT a copy of this Contract be attached to the permanent Minutes of this Board meeting.

Part 2: Consideration of CSA II Position for Nacogdoches Sheltered Workshop: Since this position was approved in the Operating Budget, no action was required.

Part 3: Consideration of Hourly Employee for Central Administration: Since this position was approved in the Operating Budget, no action was required.

Part 4: Consideration of Hourly Employee for Purchasing and Supply: Since this position was approved in the Operating Budget, no action was required.

INVITE COMMENTS FROM VISITORS:

There were no comments from visitors at this time.

DESIGNATION OF DATE, TIME AND LOCATION OF NEXT BOARD MEETING:

The schedule for the Board Meetings for October and November was set as follows:

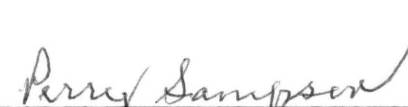
Tuesday, October 27, 1987
Tuesday, November 24, 1987

Committee meetings will begin at 5:00 P.M. and the Board meeting will begin at 5:30 P.M. on October 27th. The meeting will be adjourned at 6:45 P.M. in order for Board members and staff to travel to the Civic Center to attend the Volunteer Banquet.

APPROVED:



Judge Allen Sturrock, Chairman



Mr. Perry Sampson, Secretary

SEPTEMBER 15, 1987


 404 PERRY BLDG., LUFKIN, TX 75901
 ARCHITECTS & ENGINEERS
BID TABULATION

CONTRACTOR		Richardson	Timberline	K. Brown	Cecil Pond	Moore Bros.	Broxson
BID SEC	CER. CHECK						
	BID BOND	✓	✓	✓	✓	✓	✓
ADDENDA	No. 1, 6/10/87	✓	✓	✓	✓	✓	✓
	No. 2, 6/15/87	✓	✓	✓	✓	✓	✓
	No. 3, 8/31/87	✓	✓	✓	✓	✓	✓
	No. 4, 9/9/87	✓	✓	✓	✓	✓	✓
	No. 5, 9/10/87	✓	✓	✓	✓	✓	✓
BASE BID		\$619,900.00	\$544,800.00	\$589,280.00	\$619,000.00	\$579,490.00	\$526,000.00
ALTERNATE	NO.1 - Carpet in stead of Tile	+ 900.00	+ 700.00	+ 700.00	+ 900.00	+ 1,150.00	+ 1,500.00
	NO. 2 - Install east driveway	+ 4,250.00	+ 3,000.00	+ 4,751.00	+ 5,000.00	+ 3,342.00	+ 7,000.00
TOTAL		\$625,050.00	\$548,500.00	\$594,731.00	\$624,900.00	\$583,982.00	\$534,500.00
TIME							
		330 Days	300 Days	180 Days	360 Days	300 Days	270 Days

 ANGELINA COUNTY MHR CENTER
 LUFKIN, TEXAS

DEER EAST TEXAS REGIONAL MHP SERVICES
REVENUE BY FUND
9/1/86 - 8/31/87

SOURCE	ANNUAL BUDGET	MONTHLY BUDGET	AUGUST REV. & REC.	AUGUST OVER/(UNDER)	Y-T-D REV & REC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING MD.	REVISED BUDGET
City of El Paso	29,145	2,429	3,360	931	30,401	1,256	(1,256)	0
Alameda County	29,836	2,441	2,454	13	29,900	6	(14)	0
Harden County	14,532	1,211	1,211	0	14,532	0	0	0
Houston County	6,584	549	549	0	6,584	(4)	0	0
Jasper County	11,595	966	966	0	11,595	3	0	0
Nacatoches County	17,965	1,497	1,457	0	17,963	(1)	0	0
Newton County	5,986	499	499	0	5,986	(2)	0	0
Folk County	9,846	821	820	(1)	9,846	(6)	0	0
Sabine County	2,838	237	236	(1)	2,838	(6)	0	0
San Augustine County	2,802	234	233	(1)	2,802	(6)	0	0
San Jacinto County	4,107	342	342	0	4,107	3	0	0
Shelby County	6,400	533	533	0	6,400	4	0	0
Trinity County	5,127	427	427	0	5,127	3	0	0
Tyler County	7,609	634	634	0	7,609	1	0	0
Texas Grant	0	0	0	0	0	0	0	0
Foundation Grant	47,820	3,985	(17,255)	(21,240)	54,608	6,788	(6,788)	0
Client Fees	455,140	37,928	37,066	(862)	1,111,920	656,784	(656,780)	0
Title XX - Protective Services	118,926	9,911	11,666	1,755	115,252	(3,680)	3,674	0
Texas Rehabilitation Commission	8,500	708	1,281	573	19,225	10,729	(10,725)	0
ICF - MR	511,420	42,618	44,381	1,763	511,273	(143)	147	0
SR 230	90,000	7,500	0	(7,500)	85,750	(4,250)	4,250	0
ICS	76,103	6,342	7,115	773	21,757	(54,347)	54,346	0
Dept. of Highways & Pub. Transp.	520,000	43,333	41,745	(1,588)	519,164	(832)	836	0
S.V.E.T.P.	0	0	6,681	6,681	14,181	14,181	(14,181)	0
Workshop Production	110,000	9,167	20,893	11,726	139,484	29,480	(29,484)	0
Donations	7,500	625	120	(505)	8,393	893	(893)	0
Interest	45,000	3,750	15,643	11,893	80,853	35,853	(35,853)	0
Miscellaneous	100,000	8,333	5,975	(2,358)	84,369	(15,627)	15,631	0
Grant-in-Aid	1,833,077	152,756	152,756	0	1,833,077	5	0	0
Grant-in-Aid, EDS	11,500	958	0	(958)	11,500	4	0	0
Rusk State Hospital	195,776	16,315	16,824	509	194,452	(1,328)	1,324	0
SR 630	292,973	24,414	36,533	12,119	304,987	12,019	(12,014)	0
DHR - Adult Day Care	25,687	2,141	1,815	(326)	20,525	(5,167)	5,162	0
DHR - Child Day Care	144,412	12,034	15,061	3,027	149,403	4,995	(4,991)	0
SR	855,000	71,250	60,552	(10,698)	829,610	(25,390)	25,390	0
Texas Health Commission	126	11	0	(11)	126	(6)	0	0
Lelsz	1,242,355	103,530	135,170	31,640	1,217,925	(24,435)	24,430	0
DHR Liaison	115,600	9,633	9,882	249	116,135	539	(535)	0
Chapter I	34,343	2,862	8,198	5,336	36,349	2,005	(2,006)	0
Chapter I Carryover	34,817	2,901	4,429	1,528	29,141	(5,671)	5,676	0
ODA	0	0	0	0	0	0	0	0
ODA FY 86-87	50,000	4,167	0	(4,167)	51,010	1,006	(1,010)	0
Mental Health Block Grant	460,203	38,350	48,081	9,731	460,203	3	0	0
USDA	20,602	1,717	2,395	678	24,098	3,496	(3,496)	0
TOTALS	7,560,700	630,059	680,768	50,709	8,199,860	639,152	(639,160)	0

Attachment to Item IV-A-1
9/22/87

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DEEP EAST TEXAS REGIONAL MWMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/85 - 8/31/87

CATEGORY	ANNUAL BUDGET	MONTHLY BUDGET	AUGUST EXP. & END OVER(UNDER)	AUGUST EXP. & END OVER(UNDER)	Y-T-D EXP & END OVER(UNDER)	Y-T-D EXP. & END OVER(UNDER)	Y-T-D BAL REMAINING MO. BUDGET	REVISED
Wages	3,716,847	309,737	329,418	19,681	3,699,382	(17,462)	17,465	0
Sal. , Merit Increase	8,197	683	2,876	2,193	16,769	8,573	(8,572)	0
Fringe Benefits	513,049	42,756	50,352	7,596	532,163	19,091	(19,095)	0
Consultation & Professional Fees	86,479	7,207	4,547	(2,660)	66,823	(19,661)	19,666	0
Travel	158,501	13,208	14,754	1,546	135,167	(23,339)	23,334	0
Drugs	29,899	2,408	3,503	1,100	33,739	4,843	(4,840)	0
Food	111,037	9,253	16,591	7,338	121,218	10,182	(10,181)	0
Supplies	218,612	18,218	28,073	9,955	253,724	35,108	(35,112)	0
Equipment & Furniture/Purchase	72,461	6,039	12,990	6,952	87,502	15,046	(15,041)	0
Equip & Fur./Rental, Rep. & Mt.	73,577	6,131	6,515	384	70,094	(3,478)	3,483	0
Building/Rent	293,964	24,489	25,783	1,294	288,865	(5,003)	4,999	0
Elec./Repair, Maint., Rep./Ren.	81,432	6,786	10,231	3,445	97,160	15,728	(15,728)	0
Vehicle/Purchase	97,531	8,128	3,948	(4,180)	113,697	16,161	(16,166)	0
Vehicle/Rental	18,941	1,578	410	(1,169)	21,303	2,367	(2,362)	0
Vehicle/Operating Costs	106,018	8,835	21,478	12,643	113,173	7,153	(7,155)	0
Contracts with Service Agencies	910,926	75,911	122,761	46,850	909,263	(1,669)	1,663	0
Postage	16,547	1,379	1,864	485	18,313	1,765	(1,766)	0
Laboratory Expense	2,624	219	449	230	2,361	(267)	263	0
Telephone	109,299	9,108	9,819	711	109,879	583	(580)	0
Annual Audit	12,194	1,016	1,000	(16)	11,992	(200)	202	0
Insurance	81,201	6,767	10,812	4,045	99,854	18,650	(18,653)	0
Client Wages/Fringe	397,218	33,102	44,529	11,427	376,443	(20,781)	20,775	0
Utilities	145,585	12,132	13,090	958	136,874	(8,710)	8,711	0
Emolument	2,100	175	175	0	2,100	0	0	0
Miscellaneous	153,435	12,786	31,467	18,681	196,607	43,175	(43,172)	0
Interest Expense	11,107	926	1,042	116	12,075	963	(968)	0
Court Commitment Expense	28,000	2,333	3,075	742	32,107	4,111	(4,107)	0
Building Expense	105,000	8,750	0	(8,750)	0	(105,000)	105,000	0
Construction Expense	0	0	26,524	26,524	46,836	46,836	(46,836)	0
TOTALS	7,560,700	630,059	798,081	168,022	7,605,483	44,775	(44,783)	0

Attachment to Item IV-A-1
9/22/87

DEEP EAST TEXAS REGIONAL MMR SERVICES
EXPENDITURES BY PROGRAM
9/1/86 - 8/31/87

PROGRAM	ANNUAL BUDGET	MONTHLY BUDGET EXP. & ENC	AUGUST EXP. & ENC	AUGUST OVER/(UNDER)	Y-T-D EXP & ENC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING MO. BUDGET	REVISED
Administration	743,241	61,937	81,022	19,085	807,069	63,825	(63,825)	0
Care Management	318,107	26,509	28,884	2,375	314,021	(4,087)	4,086	0
MH Non-Residential	1,112,705	92,725	97,239	4,514	1,091,027	(21,673)	21,678	0
Special Education	1,247,375	103,948	126,238	22,290	1,218,648	(28,728)	28,727	0
MR Non-Residential	1,597,223	133,102	161,385	28,283	1,530,555	(66,669)	66,668	0
MR Residential	972,443	81,037	108,876	27,839	963,059	(9,385)	9,384	0
MH Residential	1,569,606	130,801	194,437	63,636	1,681,104	111,492	(111,498)	0
TOTALS	7,560,700	630,059	798,081	168,022	7,605,483	44,775	(44,783)	0

Attachment to Item IV-A-1
9/22/87

DEEP EAST TEXAS REGIONAL MMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
AS OF AUGUST 31, 1987

	AUGUST	YEAR-TO-DATE
RECEIVABLES	680,768	8,199,860
EXPENDITURES & ENCUMBRANCES	(798,081)	(7,605,483)
DIFFERENCE	(117,313)	594,377

REVENUE/EXPENDITURE ANALYSIS

RECOGNIZED REVENUE/RECEIVABLES		8,199,860
ADD: UNRECOGNIZED REVENUE		
LESS:	21,706	
TEMPLE	79,213	
TEMPLE FOUNDATION GRANT	596,027	
RAI (ESTIMATED)	0	
MEDICARE PAYMENT	105746	
TOTAL UNRECOGNIZED REVENUE		802,692
LESS: RESTRICTED INTEREST		
RESERVE OPERATING FUND	10,183	
PENSION	2,487	
BUILDING FUND	438	
FOUNDATION FUND	14781	
TOTAL RESTRICTED INTEREST		27,889
TOTAL NET REVENUE		8,974,663
EXPENDITURES/ENCUMBRANCES		7,605,483
LESS UNRECOGNIZED EXPENDITURES/ENCUMBRANCES		0
TOTAL NET EXPENDITURES/ENCUMBRANCES		7,605,483
DIFFERENCE OF REVENUE OVER/(UNDER) EXPENDITURES		1,369,180
REVENUE OVER EXPENDITURES		1,369,180
RESERVE OPERATING FUND		214,350
TOTAL AVAILABLE REVENUE		1,583,530 **

DEEP EAST TEXAS REGIONAL MHP SERVICES
BALANCE SHEET
AUGUST 31, 1987

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
Current Assets			
Cash in Bank	1,278,293		1,278,293
Change Fund	340		340
Petty Cash	80		80
Accts Receivable-Client Fees	468,940		
Less: Allowance for Uncollect- able Accounts	(167,430)		
Net Accounts Receivable	301,510		301,510
Accounts Receivable-Other	421,643		421,643
Accounts Receivable-Internal Advances	7,000		7,000
Prepaid Expenses	36,709		36,709
TOTAL CURRENT ASSETS	2,045,575		2,045,575
Amount To Be Provided Under Accrued Vacation	173,774		173,774
Amount To Be Provided Under Capital Lease Agreements	65,401		65,401
Amount To Be Provided Under Long-Term Agreement	77,982		77,982
General Fixed Assets - At Cost			
Equipment - Furniture/Fixtures		522,837	522,837
Vehicles		568,812	568,812
Building		325,645	325,645
Land		63,940	63,940
TOTAL FIXED ASSETS		1,481,234	1,443,712
TOTAL ASSETS	2,362,732	1,481,234	3,843,966
LIABILITIES, RESERVES & FUND BALANCE			
Current Liabilities:			
Accounts Payable	151,914		151,914
Misc. Payroll Ded.	100		100
Accounts Payable-Internal Adv.	7,000		7,000
Retirement Payable	67,993		67,993
Prepaid Revenue	815,410		815,410
Trust Fund Payable	3,770		3,770
Ins. Payable	(28,711)		(28,711)
TOTAL CURRENT LIABILITIES	1,017,476		1,017,476
Obligation Under Accrued Vacation	173,774		173,774
Obligation Under Capital Lease Agreements	65,401		65,401
Obligation Under Long-Term Agreement	77,982		77,982
TOTAL LIABILITIES	1,334,633		1,334,633
Reserve for Investment in Fixed Assets		1,481,234	1,481,234
Reserve for Encumbrances	14,236		14,236
Fund Balance	1,013,863		1,013,863
TOTAL LIABILITIES, RESERVES & FUND BALANCE	2,362,732	1,481,234	3,843,966

Attachment to Item IV-A-1
9/22/87

DEEP EAST TEXAS REGIONAL PHMR SERVICES
ANALYSIS OF ACCOUNTS RECEIVABLE/PAYABLE- INTERNAL ADVANCES
AND CASH POSITION STATEMENT
AUGUST 31, 1987

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

From Local to Chapter I	4,750
From Local to Chapter I Carryover	2,250

TOTAL	7,000
	=====

CASH POSITION STATEMENT

Cash in Bank:	
Operating Account	24,359
Money Market Checking Account - Inpatient	86,825
Pension Savings Account	68,805
Payroll Account	1,157
Chapter I Account	91
DDA Account	0
CD - Diboll State Bank	0
Money Market Checking Account - Diboll	
State Bank	86,706
Money Market Checking Account	174,222
Reserve Operating Account	214,350
Money Market - Diboll State Bank Foundation	85,582
CD - Diboll State Bank Foundation	525,000
Union Building Account	7,426

CASH IN BANK	1,274,523
Trust Fund Account	3,770

TOTAL CASH IN BANK	1,278,293
Change Fund	340
Petty Cash	80

TOTAL CASH ON HAND	1,278,713
	=====

DEEP EAST TEXAS REGIONAL MHA SERVICE
FINANCIAL DEPOSITORIES
AS OF AUGUST 31, 1987

Type of Account	Balance of each Account	FDIC/ FSLIC Max.	Security Pledges
Lovelady State Bank			
NOW Checking	22,859		
M. M. Checking	174,222		*
Inpatient M. M.	86,825		
Pension M. M.	68,805		
Trust Fund M. M.	3,770		
Chapter I Checking	91		
Payroll Checking	1,157		
Certificate of Deposit	65,307	200,000	1,115,000
Sub-Total - Lovelady	423,036	200,000	1,115,000
Diboll State Bank			
M. M. Checking	85,582		
Foundation			
M. M. Checking	86,706		
Leis			
Certificate of Deposit	525,000	200,000	800,000
Sub-Total - Diboll State	697,288	200,000	800,000
Community State Bank			
NOW Checking	1,500	100,000	
Certificate of Deposit	32,179	100,000	
Sub-Total - Community State	33,679	200,000	0
Lufkin Federal S&L			
Certificate of Deposit	49,320	100,000	
Sub-Total - Lufkin Federal S&L	49,320	100,000	0
Peoples National Bank And Loan Association			
Certificate of Deposit	63,000	100,000	
Sub-Total - Peoples National	63,000	100,000	0
Home Savings And Loan Association			
Certificate of Deposit	11,970	100,000	
Sub-Total - Peoples National	11,970	100,000	0
Total of all Cash In Bank	1,278,293	900,000	1,915,000

Attachment to Item IV-A-1
9/22/87

OFFICE EAST TEXAS REGIONAL MMR SERVICES
STATEMENT OF CHANGES IN FUND BALANCE AND RESERVE
AS OF AUGUST 31, 1987

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS
	-----	-----
BAL 8/1/87	1,131,176	1,478,988
REVENUE	680,768	*
EXPENDITURES	(798,081)	
ADDITIONS	0	6,741
DELETIONS	0	(2,495)
	-----	-----
BALANCE - 8/31/87	1,013,863	1,481,234
	=====	=====

Attachment to Item IV-A-1
9/22/87

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DEEP EAST TEXAS REGIONAL MMR SERVICES
OPERATING STATEMENT
AUGUST 31, 1987

SOURCE OF INCOME:	RECEIPT	RECEIVABLES	TOTAL
Investment Income	788	2,425	3,213
Angelina County	2,454	0	2,454
Hardin County	1,211	0	1,211
Houston County	549	0	549
Jasper County	966	0	966
Nacogdoches County	0	1,497	1,497
Newton County	499	0	499
Folk County	0	820	820
Sabine County	236	0	236
San Augustine County	233	0	233
San Jacinto County	342	0	342
Shelby County	533	0	533
Trinity County	427	0	427
Tyler County	634	0	634
Temple Grant	0	0	0
Foundation Grant	0	(17,255)	(17,255)
Client Fees	37,066	0	37,066
Title XX - Protective Services	1,719	9,947	11,666
Texas Rehabilitation Commission	640	641	1,281
ICF - MR	0	44,381	44,381
SB 230	0	0	0
ICS	0	7,115	7,115
Dept. of Highways & Pub. Trans	0	41,745	41,745
S.V.E.T.P.	0	6,681	6,681
Workshop Production	710	20,183	20,893
Donations	120	0	120
Interest	11,101	4,542	15,643
Miscellaneous	5,145	830	5,975
Grant-in-Aid	152,756	0	152,756
Grant-in-Aid, EDS	0	0	0
Rusk State Hospital	5,981	10,843	16,824
SB 630	0	36,533	36,533
DHR Adult Day Care	1	1,814	1,815
DHR Adult Day Care	1	15,060	15,061
R	5,552	55,000	60,552
Texas Youth Commission	0	0	0
Leisr	130,055	5,115	135,170
DHR Liaison	0	9,882	9,882
Chapter I	0	8,198	8,198
Chapter I Carryover	1	4,428	4,429
DDA	0	0	0
DDA FY 86-87	0	0	0
Mental Health Block Grant	48,081	0	48,081
USDA	8	2,387	2,395
TOTALS	407,756	273,012	680,768

Attachment to Item IV-A-1.
9/22/87

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DEEP EAST TEXAS REGIONAL MMR SERVICES
OPERATING STATEMENT
AUGUST 31, 1987

SOURCE OF EXPENDITURES	DISBURSEMENTS	ENCUMBRANCES	TOTAL
Salaries & Wages	329,419	0	329,419
Merit Increase	2,876	0	2,876
Benefits	45,233	5,119	50,352
Consultation & Professional Fee	4,085	462	4,547
Travel	14,359	395	14,754
Drugs	3,102	406	3,508
Food	9,227	7,364	16,591
Supplies	15,343	12,730	28,073
Equipment & Furniture/Purchase	3,153	9,837	12,990
Equipment & Fur./Rental,Rep. &	6,210	305	6,515
Building/Rent	25,783	0	25,783
Ride./Repair, Maint., Rep./Ren	8,613	1,618	10,231
Vehicle/Purchase	3,948	0	3,948
Vehicle/Rental	410	0	410
Vehicle/Operating Costs	17,044	4,432	21,476
Contracts w/ Service Agencies	40,756	82,005	122,761
Postage	1,864	0	1,864
Laboratory Expense	425	24	449
Telephone	9,819	0	9,819
Annual Audit	0	1,000	1,000
Insurance	10,812	0	10,812
Client Wares/Fringe	36,137	8,392	44,529
Utilities	12,857	233	13,090
Emolument	175	0	175
Miscellaneous	23,379	8,088	31,467
Interest Expense	1,035	7	1,042
Court Commitment Expense	3,075	0	3,075
Building Expense	0	0	0
Construction Expense	17,186	9,338	26,524
TOTALS	646,326	151,755	798,081

RESOLUTION OF APPRECIATION

WHEREAS, Mrs. Beth Brice was appointed by the County Judge of Nacogdoches County to serve as an interim member on the Board of Trustees of the Deep East Texas Regional Mental Health Mental Retardation Services as a replacement for Nancy Speck while she was involved in the legislative sessions in Austin; and

WHEREAS, Mrs. Brice has served as an interim member of the Board of Trustees since March 24, 1987 until the present time, serving on the Budget and Finance Committee; and

WHEREAS, throughout this short period of time, Mrs. Brice quickly adapted to the activities of MHMR and became a dedicated and involved Board member, providing capable leadership and exceptional dedication in performing her duties, and worked not only for the benefit of handicapped persons in Nacogdoches County, but for those throughout the thirteen-county region which this Center serves.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees at this regular meeting, that deep and genuine appreciation is hereby expressed to Mrs. Brice for her dedication and service as an interim Board member.

PASSED BY UNANIMOUS VOTE of the Board of Trustees this 22nd day of September, 1987.

BOARD OF TRUSTEES

DEEP EAST TEXAS REGIONAL MENTAL
HEALTH MENTAL RETARDATION SERVICES

By: _____
Judge Allen Sturrock
Chairman

By: _____
Jim McDermott, Ph.D.
Executive Director

ATTEST:

Perry Sampson, Secretary

Attachment to Item IV-C-2
9/22/87

EMPLOYMENT CONTRACT

This contract is made and entered into this 1st day of September, 1987, by and between the Deep East Texas Regional Mental Health Mental Retardation Services, hereinafter referred to as "MHMR", acting through its Board of Trustees, hereinafter referred to as the "Board", and Jim McDermott, Ph.D., hereinafter referred to as "Executive Director".

W I T N E S S E T H:

WHEREAS, the Board of MHMR desires to establish and make available for all residents of the Deep East Texas Region community-based mental health and mental retardation programs, services and facilities; and

WHEREAS, there is a need for an Executive Director to work with the Board in providing such programs, services and facilities, and the Executive Director hereinabove stated has agreed to cooperate in providing these services.

Now, therefore, in consideration of the mutual promises and the benefits to be derived by the parties as hereinafter contained, it is agreed:

I.

MHMR agrees to and does by this agreement continue employment of Jim McDermott, Ph.D., as the Executive Director of MHMR on a full-time basis; and Jim McDermott, as the Executive Director, agrees to provide the following services:

- (a) To implement the policy decisions of the Board to the best of his ability;
- (b) To administer the overall operation of all Board programs according to accepted management principles and techniques;
- (c) To deal effectively with local, state and federal elected officials and agencies at the direction of the Board;
- (d) To accurately inform the Board of the status of MHMR's programs and services;
- (e) To implement such procedures as may be necessary to ensure that MHMR programs are operated in a manner which will

maintain certifications/accreditation by the appropriate governmental agencies/bodies; and

(f) To operate MHMR programs in a manner which will ensure that MHMR is at least in minimum compliance with its Texas Department of Mental Health Mental Retardation performance contract.

II.

The Board agrees in connection with its employment of the Executive Director as follows:

(a) To assist the Executive Director in communicating with and dealing with local, state and federal elected officials and agencies;

(b) To pay to the Executive Director a salary for his services rendered at the same rate as the State Hospital Superintendent operated by the Texas Department of Mental Health and Mental Retardation, plus a housing allowance of \$175.00 per month, and that this salary shall be retroactive to September 1, 1987;

(c) That the Executive Director shall be provided with a monthly car allowance of \$700.00 to be paid on the 1st working day of each month beginning September, 1987.

(d) MHMR shall reimburse the Executive Director for all actual travel expenses related to MHMR purposes;

(e) MHMR shall provide the Executive Director with the same fringe benefits as other employees of MHMR are receiving, together with full payment of all insurance premiums associated with policies provided by the Center;

(f) MHMR shall contribute five percent (5%) of the Executive Director's compensation on an annual basis to a Tax Sheltered Annuity Program. The payment shall be made in a lump sum at the beginning of each fiscal year; and

(g) Upon termination of this agreement as herein provided, the Board shall give serious and due consideration to entering into a consultant agreement with the Executive Director in order to ensure a smooth transition of administrative responsibilities and a continuity of services by MHMR.

III.

This contract may be terminated by the Board for the reasons set out below upon the Board giving to the Executive Director one hundred eighty (180) days written notice:

(a) Failure to properly carry out instructions and/or policy decisions of the Board as long as such decisions are consistent with accepted moral, ethical, and professional standards;

(b) In the event the authority of MHMR to provide community-based mental health and mental retardation programs, services, and facilities is terminated, or in the event that MHMR cannot, for any reason, provide community-based mental health and mental retardation programs, services, and facilities; or,

(c) Without any stated cause or reason, by paying to the Executive Director an amount equal to all compensation, including accrued vacation and sick leave, for such period of time and, upon payment of such sum, the employment of the Executive Director shall thereupon immediately terminate as of the date of such payment, unless some longer period of time is mutually agreed upon.

IV.

In the event the Executive Director has the opportunity to seek other employment which appears to be significantly more attractive than the present position, the Executive Director may terminate this contract and agreement by giving the Board ninety (90) days written notice of his intention to so terminate.

V.

Nothing contained herein to the contrary, the Executive Director shall not be prohibited from expending reasonable amounts of time for personal or outside business, civil, charitable, academic, research, professional or religious activities, provided that such activities do not materially interfere with the duties and responsibilities of the Executive Director as provided herein. The Executive Director's engaging in such activities shall not be deemed a breach of this agreement.

VI.

The Board authorizes the sale of the Center-owned 1985 Buick LeSabre to Jim McDermott, Ph.D., anytime after September 1, 1987 for a total price of \$1.00. The Board recognizes the progress the Center has made over the last four years and attributes much of this success to the leadership provided by Dr. McDermott. This one-time Board action is intended as a recognition and reward given to the Executive Director in appreciation for his four years of services.

VII.

The term of this agreement shall begin on September 1, 1987 and shall terminate on August 31, 1990. This agreement shall be automatically renewed for successive three (3) year periods upon the termination of the term of the agreement provided for herein unless the Board shall notify the Executive Director of its intent to terminate this agreement, which notice shall be given at least six (6) months prior to the expiration of any three (3) year term, or unless this agreement has been terminated as herein otherwise provided.

VIII.

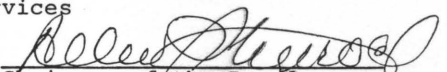
This Contract may be terminated by the Board giving written notice to the Executive Director of termination, to be effective at the end of the next succeeding month after the month in which such notice is given, by reason of:

- (a) Conviction of a felony or a misdemeanor involving moral turpitude; or
- (b) Reporting for duty under the influence of alcohol or nonmedicinal drugs; or
- (c) Being adjudged to be "unsatisfactory", or worse, in conducting the affairs of the Center, in any annual evaluation process as provided in Board policies.

EXECUTED this 1st day of September, 1987.


Executive Director

Deep East Texas Regional Mental
Health Mental Retardation
Services

By: 
Chairman of the Board