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MINUTES

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

JANUARY 3, 1989
(December Meeting)

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mr. Dan D. Dominey, V. Chairman
Mrs. Gaffney Phillips, Secretary
Judge Charles English, Treasurer
Nancy Speck, Ph.D.
Ward R. Burke
Reverend Robert Carter
Mrs. Bobbie Morgan
Mrs. Nancy Fuller

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mr. Sandy Skelton	MHMR
Mrs. Linda Naff	MHMR
Mr. George Patterson	MHMR
Mrs. Sandy Vann	MHMR
Mrs. Glenda Hiers	Alexander, Lankford & Hiers

The 193rd 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, January 3, 1989 at 4:00 P.M.

INVOCATION: Judge Allen Sturrock gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 4:00 P.M. He recognized Mrs. Glenda Hiers of Alexander, Lankford & Hiers, who was in attendance to answer any questions the Board might have regarding the FY 1988 Audit Report.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of November Board Meeting, on a motion by Mr. Dominey, seconded by Mr. Burke, the Board unanimously approved the Minutes of the November 22, 1988 Board Meeting.

Consideration of Fiscal Audit for FY 1988: In order that Mrs. Hiers could leave after her report if she wanted, Judge Sturrock asked the Board to consider this item now. Mrs. Hiers reviewed the Audit Report for the Board and discussed the Management

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Letter. On a motion by Mr. Dominey, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the Board approve the audit report for FY 1988 as submitted by the accounting firm of Alexander, Lankford & Hiers, Inc.; THAT the Board Chairman and the Board Secretary be authorized to sign and certify the Approval of the Audit Report; THAT copies of the audit be forwarded to TDMHMR; and THAT a a permanent copy of this report be maintained in the Business Services Office.

EXECUTIVE DIRECTOR'S REPORT:

The Executive Director's Report was distributed to the Board during the Committee meetings for their review, and a copy is attached. Items discussed in detail by the Executive Director were as follows:

A. An employee terminated from the Polk County MHMR Center has written to each Board member regarding his dissatisfaction with his termination. Dr. McDermott reported that he has the letters and is willing to talk to any Board member about this issue who wishes details.

B. The Texas Council has sent us a proposed Code of Ethics that they have prepared for all community MHMR Centers, and Dr. McDermott thought Judge Sturrock might want to appoint a committee to review the proposed Code. Judge Sturrock asked Gaffney Phillips, Ward Burke, and Nancy Speck to serve on the committee. Mrs. Phillips will serve as Chairperson.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

Budget and Finance Committee - Judge Charles English, Chairman

Consideration of Treasurer's Report: On a motion by Judge English, seconded by Mr. Dominey, 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 November, 1988 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board meeting.

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Consideration of First Quarter Expenditure Report: On a motion by Mr. Dominey, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the Board approve the First Quarter Financial and Performance Report for FY 1989; THAT the Board Chairman be authorized to sign the Transmittal Form; THAT the report be submitted to TDMHMR; and THAT a copy be maintained in the office of Business Services.

Consideration of Increasing Line of Credit at NCNB: On a motion by Mrs. Phillips, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT Jim McDermott, Executive Director, and Linda Naff, Director of Business Services, shall be authorized to immediately establish a three hundred thousand dollar ($300,000.00) Line of Credit at North Carolina National Bank, Lufkin, Texas; to pledge collateral to secure funds drawn on the Line of Credit, if required; and to draw on the Line of Credit as necessary to meet liabilities of the Center.

Consideration of Revised Fee Schedule: On a motion by Judge English, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed revised Fee Schedule be approved as submitted, and THAT it become effective January 1, 1989.

Consideration of Purchase of Fence for Peavy Switch Farm: On a motion by Mr. Dominey, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the $3,995.00 bid submitted by Vernon Oaks Fence Company for a predator fence at Peavy Switch Farm be accepted; THAT the Executive Director be authorized to sign all paperwork related to this purchase, and THAT a copy of all bids be maintained in the office of Business Services.

Consideration of Remodeling at Pineywoods Regional Treatment Center: On a motion by Mrs. Phillips, seconded by Judge English, the Board unanimously approved the following resolution:

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RESOLVED, by the Board of Trustees, THAT the Board hereby authorize the Executive Director to negotiate and sign an amendment to the FY 1989 lease agreement with Memorial Medical Center of East Texas to partially fund repairs and renovations to Pineywoods Regional Treatment Center in an amount not to exceed $5,000.00, and THAT a copy of the lease and the amendment be maintained in the office of Business Services.

Program Committee - Mr. Ward R. Burke, Chairman

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

RESOLVED, by the Board of Trustees, THAT Sandy Skelton be approved for appointment to the Professional Staff Organization (PSO) in the Supervisor/Department Head discipline.

Personnel and Public Education Committee - Reverend Robert Carter, Chairman

Consideration of Creation of Accounting Clerk II Position: On a motion by Dr. Speck, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Accounting Clerk II position #295 be added to the FY 1989 Personal Services Schedule, and THAT this addition be effective January 1, 1989.

Consideration of Creation of Chief Accountant II Position and Deletion of Chief Accountant I: On a motion by Dr. Speck, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Position #18, Chief Accountant I, be deleted; THAT Position #296, Chief Accountant II be created, and THAT this be effective February 1, 1989.

Consideration of Creation of Social Service Program Director I Position: The Board voted unanimously to table this item due to the uncertainty about the level of supervision needed at Shelby MHMR Center at this time. The staff will make a final recommendation to the Board at its next meeting.

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Consideration of Deletion of Psychologist Position and Creation of Caseworker II Position: On a motion by Dr. Speck, seconded by Mr. Burke, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT Psychologist Position #0023 at Nacogdoches MHMR Center be deleted; THAT a Caseworker II Position, #298, be created and added to the FY 1989 Personal Services Schedule; and THAT this action be effective February 1, 1989.

Consideration of Creation of Licensed Vocational Nurse Position: On a motion by Dr. Speck, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT a Licensed Vocational Nurse Position, #299, be created for the Nacogdoches MHMR Center, and THAT this action be effective February 1, 1989.

Consideration of Creation of Training Specialist for Peavy Switch Farm: On a motion by Dr. Speck, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT a Training Specialist Position, #300, be added to the FY 1989 Personal Services Schedule; and THAT this action be effective February 1, 1989.

Consideration of Deletion of Journalist Position and Creation of Administrative Technician I Position/Public Information Officer: On a motion by Dr. Speck, seconded by Mr. Burke, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the Journalist Position #082 be deleted from the FY 1989 Personal Services Schedule; THAT an Administrative Technician I/Public Information Officer Position #301 be created; and THAT this action become effective January 3, 1989.

Consideration of Proposed Salary Increases for Evaluator I Positions at Peavy Switch Farm: On a motion by Dr. Speck, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT Positions #287, 288, 289, and 290 be increased to a salary range of $17,364 to $21,840, and THAT this action be effective January 1, 1989.

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Consideration of Personnel Matters: There were no personnel matters for Board consideration.

INVITE COMMENTS FROM VISITORS: There were no comments from visitors at this time.

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

The schedule for the Board Meetings for January and February was set as follows:

Tuesday, January 31, 1989
Tuesday, February 28, 1989

Committee meetings will begin at 3:30 P.M., and the Board Meeting will begin at 4:00 P.M. on January 31st.

APPROVED:

Judge Allen Sturrock, Chairman

Gaffney Phillips, Secretary

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
REVENUE BY FUND
9/1/88 - 11/30/88

SOURCE	ANNUAL BUDGET	Y-T-D REVENUE	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	NOVEMBER REV RCPTS	NOVEMBER REV RCV'BLE	NOVEMBER REVENUE	OVER (UNDER)
ANGELINA COUNTY	29,286	7,325	21,961	4	2,441	4,883	2,442	7,325	4,884
HARDIN COUNTY	14,532	0	14,532	(3,633)	1,211	0	0	0	(1,211)
HOUSTON COUNTY	6,584	1,647	4,937	1	549	549	0	549	0
JASPER COUNTY	11,595	2,898	8,697	(1)	966	0	966	966	0
NACOGDOCHES COUNTY	17,963	0	17,963	(4,491)	1,497	0	0	0	(1,497)
NEWTON COUNTY	5,986	750	5,236	(747)	499	500	250	750	251
POLK COUNTY	9,846	0	9,846	(2,462)	821	0	0	0	(821)
SABINE COUNTY	2,838	709	2,129	(1)	237	473	236	709	472
SAN AUGUSTINE COUNTY	2,802	0	2,802	(701)	234	0	0	0	(234)
SAN JACINTO COUNTY	4,107	1,027	3,080	0	342	0	342	342	0
SHELBY COUNTY	6,400	1,600	4,800	0	533	1,067	533	1,600	1,067
TRINITY COUNTY	5,127	1,282	3,845	0	427	1	427	428	1
TYLER COUNTY	7,609	1,902	5,707	0	634	1,268	634	1,902	1,268
CLIENT FEES	1,123,058	166,199	956,859	(114,566)	93,588	4,410	0	(9,357)	(102,945)
SENATE BILL 230	5,000	6,435	(1,435)	5,185	417	0	2,400	2,400	1,983
COURT COMMITMENTS	32,000	4,695	27,305	(3,305)	2,667	1,315	440	1,755	(912)
PINEYWOODS ANNEX	130,000	0	130,000	(32,500)	10,833	0	0	0	(10,833)
FOUNDATION (FARM)	185,647	83,042	102,605	36,630	15,471	10,283	0	10,283	(5,188)
NACOGDOCHES ISD	13,480	4,126	9,354	756	1,123	1	1,375	1,376	253
DEBT PROCEEDS	0	0	0	0	0	0	0	0	0
WORKSHOP PRODUCTION	178,250	48,345	129,905	3,783	14,854	11,562	0	11,562	(3,292)
DONATIONS	970	2,798	(1,828)	2,556	81	464	0	464	383
INTEREST INCOME	34,285	18,670	15,615	10,099	2,857	9,359	0	9,359	6,502
MISCELLANEOUS	1,200	2,732	(1,532)	2,432	100	664	15	679	579
HARDIN REIMBURSEMENT	12,960	3,240	9,720	0	1,080	1,080	0	1,080	0
FARM INCOME	5,000	297	4,703	(953)	417	0	0	0	(417)
VOCATIONAL SERVICES	0	1,667	(1,667)	1,667	0	0	1,167	1,167	1,167
ICR-MR	618,283	154,813	463,470	242	51,524	(3,866)	53,539	49,673	(1,851)
TRC	57,524	4,973	52,551	(9,408)	4,794	181	1,167	1,348	(3,446)
STATE HIGHWAY DEPT.	594,998	121,446	473,552	(27,304)	49,583	2,540	34,941	37,481	(12,102)
PROTECTIVE SERVICES	15,825	2,863	12,962	(1,093)	1,319	1	950	951	(368)
PROTECTIVE SERVICES-IN HOME	142,174	31,457	110,717	(4,087)	11,848	6,018	8,500	14,518	2,670
HCS	485,852	109,235	376,617	(12,228)	40,488	1,423	37,179	38,602	(1,886)
GENERAL REVENUE	2,317,593	579,400	1,738,193	2	193,133	193,133	0	193,133	0
RAJ	1,007,685	275,942	731,743	24,021	83,974	0	83,974	83,974	0
LELSZ	1,332,423	333,106	999,317	0	111,035	119,506	0	119,506	8,471
TCADA	312,392	78,098	234,294	0	26,033	0	22,657	22,657	(3,376)
ECI, SENATE BILL 630	416,497	89,714	326,783	(14,410)	34,708	0	30,563	30,563	(4,145)
DHS - ADULT DAY CARE	33,242	8,361	24,881	51	2,770	0	3,065	3,065	295
DHS - CHILD DAY CARE	222,576	53,402	169,174	(2,242)	18,548	0	18,655	18,655	107
DHS - CHILDRENS HOUSE	0	0	0	0	0	0	0	0	0
SYETP	31,000	0	31,000	(7,750)	2,583	0	0	0	(2,583)
PROBATION DEPT.	3,000	0	3,000	(750)	250	0	0	0	(250)
JTPA	5,000	792	4,208	(458)	417	0	0	0	(417)
MENTAL HEALTH BLOCK GRANT	460,203	118,503	341,700	3,452	38,350	0	39,501	39,501	1,151
USDA	28,764	8,406	20,358	1,215	2,397	0	3,013	3,013	616
DHS - LIASON	140,000	40,747	99,253	5,747	11,667	699	13,765	14,464	2,797
CHAPTER I	31,164	2,831	28,333	(4,960)	2,597	1,362	0	1,362	(1,235)
CHAPTER I CARRYOVER	34,964	8,125	26,839	(616)	2,914	2,386	0	2,386	(528)
TOTAL	10,137,684	2,383,600	7,754,084	(150,823)	844,811	371,262	362,696	720,191	(124,620)

Attachment to Item IV-A-1
1/03/89

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/88 - 11/30/88

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	NOVEMBER EXP & ENC	NOVEMBER OVER(UNDER)
SALARIES	5,311,140	1,277,917	4,033,223	(49,868)	442,595	434,712	(7,883)
MERIT,LONGEVITY,BONUS,ETC.	74,709	0	74,709	(18,677)	6,226	0	(6,226)
FRINGE BENEFITS	803,593	230,341	573,252	29,443	66,966	66,839	(127)
CONSULTANTS & PROFESSIONALS	77,993	23,980	54,013	4,482	6,499	8,782	2,283
TRAVEL	170,098	58,939	111,159	16,415	14,175	21,567	7,392
DRUGS	29,250	5,851	23,399	(1,462)	2,438	1,276	(1,162)
FOOD	193,400	36,446	156,954	(11,904)	16,117	14,096	(2,021)
SUPPLIES	224,213	67,480	156,733	11,427	18,684	22,201	3,517
FARM OPERATION SUPPLIES	7,000	93	6,907	(1,657)	583	47	(536)
DEBT PRINCIPAL RETIREMENT	98,246	21,422	76,824	(3,140)	8,187	7,163	(1,024)
EQUIPMENT & FURNITURE	83,696	25,746	57,950	4,822	6,975	10,913	3,938
EQUIPMENT & FURNITURE RENTAL	50,553	7,176	43,377	(5,462)	4,213	2,107	(2,106)
EQUIP/FURN REPAIRS/MAINT	27,380	7,432	19,948	587	2,282	1,644	(638)
BUILDING RENT	287,033	61,002	226,031	(10,756)	23,919	20,545	(3,374)
BLDG REMODELING/RENOVATION	29,770	2,847	26,923	(4,596)	2,481	1,324	(1,157)
BLDG REPAIR & MAINTENANCE	40,800	11,196	29,604	996	3,400	2,284	(1,116)
VEHICLE PURCHASED	3,600	0	3,600	(900)	300	0	(300)
VEHICLE LEASE	4,920	1,230	3,690	0	410	410	0
VEHICLE OPERATION/MAINT	129,375	34,774	94,601	2,430	10,781	14,446	3,665
CONTRACTS W/SERVICE AGENCIES	989,631	224,080	765,551	(23,328)	82,469	94,788	12,319
POSTAGE	21,353	7,102	14,251	1,764	1,779	2,312	533
LAB EXPENSE	4,700	1,099	3,601	(76)	392	163	(229)
TELEPHONE	133,805	29,271	104,534	(4,180)	11,150	8,441	(2,709)
ANNUAL AUDIT	9,400	2,475	6,925	125	783	825	42
INSURANCE	173,000	18,934	154,066	(24,316)	14,417	5,584	(8,833)
CLIENT WAGES/FRINGE	426,690	87,662	339,028	(19,011)	35,558	23,803	(11,755)
UTILITIES	193,022	42,238	150,784	(6,018)	16,085	13,034	(3,051)
EMOLUMENT	2,100	525	1,575	0	175	175	0
MISCELLANEOUS	89,035	61,056	27,979	38,797	7,420	20,465	13,045
SSI BENEFITS - FOSTER PARENTS	26,700	3,975	22,725	(2,700)	2,225	1,325	(900)
SS BENEFITS - FOSTER PARENTS	23,700	5,802	17,898	(123)	1,975	1,934	(41)
RR BENEFITS - FOSTER PARENTS	3,600	900	2,700	0	300	300	0
FOSTER CARE SUPPLEMENT	0	1,023	(1,023)	1,023	0	341	341
INTEREST EXPENSE	12,423	6,479	5,944	3,373	1,035	2,066	1,031
COURT COMMITMENT EXPENSE	32,000	5,860	26,140	(2,140)	2,667	2,485	(182)
CLIENT ACTIVITY	10,920	1,256	9,664	(1,474)	910	332	(578)
MARKETING	43,000	4,750	38,250	(6,000)	3,583	2,960	(623)
CONSTRUCTION EXPENSE	2,000	0	2,000	(500)	167	0	(167)
CAPITAL BUILDING EXPENSE	130,000	49,455	80,545	16,955	10,833	6,674	(4,159)
MC CONTINGENCY - PRIOR YEARS	131,742	54,594	77,148	21,659	10,979	18,198	7,220
MC CONTINGENCY - 1989	32,094	0	32,094	(8,024)	2,675	0	(2,675)
MC CONTINGENCY - INT INCOME	0	3,979	(3,979)	3,979	0	1,651	1,651
TOTAL	10,137,684	2,486,387	7,651,297	(48,035)	844,807	838,212	(6,595)

Attachment to Item IV-A-1
1/03/89

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/88 - 11/30/88

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	NOVEMBER EXP & ENC	NOVEMBER OVER(UNDER)
RESIDENTIAL - MH	2,501,715	642,273	1,859,442	16,844	208,476	217,087	8,611
CLIENT & FAMILY SUPPORT - MH	1,376,805	344,245	1,032,560	44	114,734	105,715	(9,019)
CASE MANAGEMENT - MH	308,872	83,378	225,494	6,160	25,739	33,410	7,671
MANAGEMENT & SUPPORT - MH	561,891	141,386	420,505	913	46,824	52,095	5,271
RESIDENTIAL - MR	1,583,525	380,555	1,202,970	(15,326)	131,960	133,343	1,383
CLIENT & FAMILY SUPPORT - MR	3,146,665	739,000	2,407,665	(47,667)	262,222	239,550	(22,672)
CASE MANAGEMENT - MR	96,320	19,384	76,936	(4,696)	8,027	6,973	(1,054)
MANAGEMENT & SUPPORT - MR	561,891	136,166	425,725	(4,307)	46,824	50,039	3,215
TOTAL	10,137,684	2,486,387	7,651,297	(48,035)	844,807	838,212	(6,595)

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
9/1/88 - 11/30/88

	NOVEMBER	Y-T-D
REVENUE	720,191	2,383,600
EXPENDITURES & ENCUMBRANCES	(838,212)	(2,486,387)
DIFFERENCE	(118,021)	(102,787)

ANALYSIS OF PREPAID REVENUE:

LELSZ	17,017
TEMPLE FOUNDATION GRANT	725,618
GENERAL REVENUE	115,878
PINEYWOODS ANNEX	129,500
COUNTY REVENUE	4,938
PATIENT FUNDS	320
RETIREMENT FUNDS	7,311
CHAPTER I	9,568
CHAPTER I, CARRYOVER	640
TOTAL PREPAID REVENUE	1,010,790

ANALYSIS OF RESTRICTED INTEREST INCOME:

RESERVE OPERATING FUND	(1,920)
PENSION	161
BUILDING FUND	11
MEDICARE CONTINGENCY CD'S	3,979
TOTAL RESTRICTED INTEREST INCOME	2,231

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
BALANCE SHEET
NOVEMBER 30, 1988

	GENERAL OPERATING FU ND		GENERAL FIXED ASSETS	TOTAL
ASSETS:				
Unrestricted Cash-General		86,047		
Restricted Cash:				
Employee Medical Plan	1,699			
Trust Funds - Clients	6,342			
Chapter I	10,644			
Pension Funds	92,427			
Payroll	8,015			
Lelsz	43,213			
Hardin Building Fund	8,493			
Foundation Grant	724,579			
Reserve Operating Funds	466,760			
Pineywoods Annex	55,006	1,417,178		
Total Cash in Bank		1,503,225		1,503,225
Petty Cash		300		300
Change Fund		290		290
Accts Receivable-Client Fees	703,109			
Less: Allowance for Uncollectible Accounts	(220,906)	482,203		482,203
Accounts Receivable - Other		703,955		703,955
Accts Rec/Internal Advances		109,000		109,000
Prepaid Expenses		79,215		79,215
Supply Inventory		108,606		108,606
Amount to be Provided under:				
Long Term Agreements		286,469		286,469
Accrued Vacation		196,293		196,293
General Fixed Assets (at Cost):				
Equipment & Furniture			658,724	658,724
Vehicles			659,063	659,063
Building			1,849,840	1,849,840
Land			82,315	82,315
TOTAL ASSETS		3,469,556	3,249,942	6,719,498
LIABILITIES & FUND EQUITY				
Liabilities:				
Accounts Payable/Internal Advance		109,000		109,000
Accounts Payable		368,268		368,268
Employee Insurance Payable		12,419		12,419
Retirement Payable		89,244		89,244
Miscellaneous Payroll Deductions		(206)		(206)
Sales Tax Payable		855		855
Cafeteria Plan Payable		0		0
Prepaid Revenue		1,010,790		1,010,790
Obligation under:				
Long-Term Agreements		286,469		286,469
Accrued Vacation		196,293		196,293
Trust Fund Payable		6,342		6,342
MC Contingency Fund		341,703		341,703
Total Liabilities		2,421,177	0	2,421,177
Fund Equity:				
Investment in Fixed Assets			3,249,942	3,249,942
Fund Balances:				
Reserved for Hardin Building		8,229		8,229
Reserved for Encumbrances		86,028		86,028
Unreserved		954,122		954,122
Total Fund Equity		1,048,379	3,249,942	4,298,321
TOTAL LIABILITIES & FUND EQUITY		3,469,556	3,249,942	6,719,498

Attachment to Item IV-A-1
1/03/89

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN UNRESTRICTED FUND BALANCE AND FIXED ASSETS
AS OF NOVEMBER 30, 1988

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
BALANCE - 10/31/88	1,072,143	3,206,831	4,278,974
REVENUE	720,191		720,191
EXPENDITURES	(838,212)		(838,212)
ADDITIONS TO FIXED ASSETS		45,115	45,115
DELETIONS OF FIXED ASSETS		(2,004)	(2,004)
BALANCE - 11/30/88	954,122	3,249,942	4,204,064

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

GENERAL OWES FOUNDATION	34,000
GENERAL OWES PINEYWOODS ANNEX	75,000
BALANCE @ 11/30/88	109,000

Attachment to Item IV-A-1
1/03/89

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
NOVEMBER 30, 1988

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
NCNB Texas National:	General Funds	MM Checking	84,691		
	Payroll	MM Checking	8,015		
	Employee Medical Plan	MM Checking	1,699		
	Foundation	MM Checking	625,612		
	Pineywoods Annex	MM Checking	1,006		
	Clients' Trust Fund	MM Checking	6,342		
	General Holding Acct	MM Savings	1,356		
	Reserve Operating	2 CD's	77,608		
	Reserve Funds - PRTC	1 CD & Checking	182,362	200,000	1,100,000
Total for NCNB Texas National			988,691	200,000	1,100,000
Lovelady State Bank:	Chapter I	Checking	10,644		
	Pension	MM Checking	92,427	100,000	0
Total for Lovelady State Bank			103,071	100,000	0
Diboll State Bank:	Lelsz	MM Checking	43,213		
	Reserve Funds - PRTC	1 CD	77,250		
	Reserve Operating	2 CD's	75,835	100,000	800,000
Total for Diboll State Bank			196,298	100,000	800,000
Lufkin Regional FCU:	Reserve Operating	2 CD'S	15,276	100,000	0
Commercial National Bank	Reserve Operating	1 CD	19,274	100,000	0
First National Bank, Newton	Reserve Funds - PRTC	1 CD	19,155	100,000	0
First National Bank, Silsbee	Hardin Building Fund	1 CD	8,493	100,000	0
Lufkin Federal Savings & Loan	Pineywoods Annex	1 CD	54,000	100,000	0
United States Government	Foundation	Treasury Bills	98,967	0	98,967
Total of All Cash in Bank			1,503,225	900,000	1,998,967

Attachment to Item IV-A-1
1/03/89

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IV. EXECUTIVE DIRECTOR'S REPORT:

1. Dr. Speck, Susan Rushing, and Judge Sturrock met with the Nacogdoches County Commissioners Court on Monday, December 5th to discuss the Nacogdoches County match to MHMR. The County reported that they had budgeted only $12,000 for local match funds, but would review their budget to see if additional monies could be located. Dr. Speck told the Court that she would contact local citizens to try to raise the $5,963.00 balance needed to support the Nacogdoches programs.

   Dr. Speck and Mr. Burke then attended their December 12th meeting and the Court assured them they would try to pay the balance owed for FY 1988 and fully fund the $17,963.00 match for FY 1989. They did not formally pass that expression of intent.

2. Medicare Update: An Analysis of Estimated Medicare Over-Payments has been distributed for your review. We have budgeted $7,500.00 a month for the rest of this fiscal year to completely cover the projected debt to Medicare. We also will routinely budget $7,000.00 per month to be set-aside for the annual repayment to Medicare.

3. Commissioner Dennis Jones will be visiting our Center on January 20th all day, and we plan to spend the time visiting units. Any Board member who wishes to go on the tour should let Sandy Vann know. We plan to start the tour from Central Administration around 9:00 A.M.

4. Judge Sturrock, Sandy Skelton, Susan Rushing, Bobbie Morgan and I met with the Jasper County Commissioners Court on December 12th and received very positive responses from them regarding our services. On January 23rd we will be meeting with the Hardin County Commissioners Court at 10:00 A.M. and, if at all possible, I hope that Reverend Carter can attend, along with any other Board member who wants to.

Director, Business Services

a. Local Match Report: We have received pledge letters from all counties except Nacogdoches, Polk, and San Augustine. Houston County has paid their pledge in full.

b. Discussion of MIS: A staff MIS study committee has met and is looking at various options for developing an MIS system that meets the Center's needs. We hope to have a formal proposal by the February Board meeting.

Director, Mental Health Services

a. Update on Shelby MHMR Center: At a recent meeting of the Quality Assurance Committee, there was a considerable amount of concern with regard to the clinical care at Shelby MHMR Center, particularly in the Halfway House program. It was decided that since there were only five clients residing in the Halfway House and those clients could easily be transferred to a local boarding house, the halfway house program should be temporarily closed. As a result of this action, and the fact that the Coordinator of the Halfway House had recently been placed on performance probation, he resigned on Monday, December 19th.

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In addition, Kim Davis, Director of Case Management Services, was appointed as the Acting Service Director for the Shelby MHMR Center until such time that an administrator with clinical skills can be employed.

During the month of January, the staff will determine the disposition of the Halfway House program and, hopefully, employ a Service Director.

Director, Quality Assurance Services

a. In November, we submitted our Quality Assurance Plan, Written Plan for Professional Services, and revised PSO Bylaws, along with supporting documentation, to JCAHO. They have reviewed this information and have given it verbal approval by telephone. The next step in the re-accreditation process is to submit additional data over the course of the next few months as evidence that the new systems have been implemented and are working properly. We anticipate a return survey to focus on those areas with major deficiencies cited during the last survey, probably in late spring or early summer.

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Attachment #3

NACOGDOCHES COUNTY

Programs Located in the County

Program	Staff	Clients Served	Budget
Nacogdoches Clinic	4	556	$179,838
Cornerstone (Infant)	6	65	163,349
Sheltered Workshop	9	52	248,027
Group Home	9	16	205,594
Case Management	2	255	62,700
TOTAL	30	944	$859,508

Nacogdoches Use of Regional Programs

Program	Budget	% Used by Nacogdoches	Clients Served	Proportion of Dollars Spent for Nacogdoches
Pineywoods	$1,337,119	18%	49	$240,681
Peavy Switch	803,309	10%	7	80,330
D & E	375,945	15%	47	56,392
			103	$377,403

TOTAL FUNDS SPENT IN OR FOR NACOGDOCHES COUNTY
(EXCLUDING ADMINISTRATION) ---------- $1,236,911

NACOGDOCHES COUNTY CONTRIBUTION ---------- $ 17,963

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MHMR

Deep East Texas Regional
Mental Health Mental Retardation Services
4101 South Medford Drive
Lufkin, Texas 75901 Telephone (409) 639-1141

M E M O R A N D U M

TO: The Honorable Bob Dunn
County Judge, Nacogdoches County

FROM: Jim McDermott, Ph.D.
Executive Director

DATE: November 22, 1988

SUBJECT: FY 1989 County Match

This memo is to summarize the conversation that Nancy Speck and I had with you on Friday, November 18th regarding the Nacogdoches County match to MHMR. We agreed at the conclusion of that meeting that Nancy Speck and I would appear before the Nacogdoches County Commissioners Court on Monday, December 5th to request that the County's budget include the full amount of match requested from MHMR in the amount of $17,963.00. The Commissioners Court meeting begins at 9:00 A.M.; however, it is my understanding that there will be other business taken care of prior to our being on the agenda and for that reason we will plan to be there around 10:00 A.M. We would appreciate your sending us a copy of the agenda for the Commissioners Court meeting.

I would like to review several issues discussed during our meeting. The first issue regarded our request for FY 1989 funds. Attachment #1 (blue sheet) is our letter to you dated July 11, 1988 requesting that $17,963.00 be budgeted as the Nacogdoches County pledge to MHMR. Therefore, we did make our request to you in a timely fashion and will continue to do so in the future.

The second issue discussed was the amount that Nacogodches County has paid in the past. Attachment #2 (yellow sheets) are the records of payments from Nacogdoches County for the past four years. You will note that in 1985 Nacogdoches County paid $17,963.00. They paid the same in 1986. In 1987, Nacogdoches County actually paid $18,000.00. For FY 1988, the County paid $12,017.50, and has an outstanding balance of $5,945.50. If there had been any change or any intention to change the amount provided by Nacogdoches County, we knew nothing about it until we received your pledge letter earlier this month. I wish to

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reiterate that the history of MHMR is not to be a tax burden on the counties that we serve. The consistent position of the Board of Trustees is to raise the required 12% local match through client fees, contracts with industries, and other local revenue-generating activities. The match that we request from Nacogdoches County has virtually been unchanged for the past 13 years, and the philosophy of not putting additional financial burden on the counties will continue to be the position of our Board.

The third issue that I wish to restate deals with the extensive benefits available to Nacogdoches County residents both in services and in the positive financial impact that our programs have on Nacogdoches County. Attachment #3 (green sheet) is a summary of programs located in Nacogdoches County, the clients served by those programs, and the amount of money expended directly in Nacogdoches County. Additionally, Attachment #3 lists regional programs located in Lufkin that serve Nacogdoches County. The number of clients served, plus the amount of dollars spent on Nacogdoches County residents in the regional programs, is provided on the attachment.

You will notice that we employ 30 full-time staff in Nacogdoches County programs, served 944 persons last year in five different programs, and spent a total of $859,508 within Nacogdoches County. In addition to that, we served another 103 clients from Nacogodches County in our regional programs at an expense of $377,403. In 1988 alone, we served a total of 1,047 Nacogdoches residents in Nacogdoches County-based or regional programs at a total expense of $1,236,911. That figure is the minimal return on the $17,963.00 pledge put up by the County. We feel that that is a tremendous bargain for the services available in the County, as well as the positive impact it has on the County.

An additional financial benefit to Nacogodches County from MHMR is the number of people who live in Nacogdoches County but work in Lufkin. Attachment #4 (pink sheet) is a list of 12 individuals who are residents of Nacogdoches County but work for MHMR programs in Lufkin. These individuals are tax payers of Nacogdoches County and contribute to the overall Nacogdoches County economy.

A final comment relates to why the County is involved with MHMR in the first place. House Bill 3 was passed approximately 15 years ago and was the enabling legislation that created community MHMR centers. Within that legislation there was a requirement that local tax authorities must be the sponsoring agent for an MHMR center. In 1974, the 13 counties in the Deep East Texas region agreed that there was a need for community-based services and jointly agreed to sponsor an MHMR center. At that time, their commitment was to provide local dollars as match in order to get the community MHMR center started.

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Part of the counties' responsibility in the arrangement was to continue to provide local match and to appoint Board members to govern this new organization that was called Deep East Texas Regional MHMR Services. The regional cumulative match for all the counties was $112,000.00. Since that time, the total has gone up to $124,000.00, with only a slight increase approximately five years ago. The original House Bill 3 has been revised and updated several times by the legislature. There is now a requirement that MHMR must provide 12% of their total budget in local funds. In our case, that is approximately $1,320,000.00. Most MHMR centers went back to their counties and raised their local county match significantly. Our Board's decision was to raise additional local match monies through client fees, contracts for services with local agencies and industries, and other local revenue-generating activities. We feel that we are a true partner with the counties and are able to provide quality services with our limited financial resources. Few urban areas have the number and quality of services in this state that we have in the Deep East Texas region and there is no other rural area in the state that can come close to the variety of service options that we provide. Yet we have the smallest percentage of our budget from county funds than any other community center in this state. I am mentioning all these things to inform you of what we feel has been a genuine effort on our part to provide quality services at an extremely reasonable cost to your county. As stated earlier, we will continue to do so, but ask that you also continue to provide the matching funds that have been the history of Nacogdoches County for the past 13 years.

Please excuse the length of this document but this is an extremely important issue for our Center and we do not want to leave out any information that might help you better understand our situation. We look forward to meeting with you on December 5th. Judge Allen Sturrock, our Board Chairman, also wishes to attend the meeting to help answer any questions the Court may have about the history of our Center and the 13 counties' involvement in that history since he has been a part of MHMR from the beginning.

Jim McDermott

JM:sv

Attachments

cc: Nancy Speck
Judge Allen Sturrock

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ANALYSIS OF ESTIMATED MEDICARE OVER-PAYMENTS

	1986	1987	1988	Total
Refunded after Submission of Cost Report	$105,746	$ 62,725	$ 0	$168,471
Calculated Payment Due Based on Gross Charges	58,907	118,279	58,367	235,553
TOTALS	$164,653	$181,004	$58,367	$404,024
Funds on Hand @ 11/30/88				337,135
Shortfall				-$ 66,889

1. $7,500 a month has been budgeted for the Medicare shortfall from December, 1988 to August, 1989, which will completely cover projected debt to Medicare. This payment will not continue after August.

2. Routinely, $7,000 a month will be budgeted and set aside for the annual repayment to Medicare.