

MINUTES

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

NOVEMBER 24 , 1987

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Dan D. Dominey, Vice Chairman
Mr. Perry Sampson, Secretary
Mr. Ward R. Burke
Rev. Robert Carter
Mrs. Bobbie Morgan

BOARD MEMBERS ABSENT:

Nancy Speck, Ph.D.
Rev. Ed Dodson
Judge Charles English
Mrs. Beth Brice

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. Larry Heaton	MHMR
Mr. George Patterson	MHMR
Mrs. Sandy Vann	MHMR
Mrs. Sheryl Taylor	MHMR
Mr. John Wilson	Jasper MHMR
Mrs. Theresa Bailey	Jasper MHMR
Mr. Glen Jordan	Tyler MHMR
Mrs. Lois Gee & Family	Jasper
Mrs. Thelma Fillyaw	Jasper

The 180th meeting of the Board of Trustees was held at the Jasper MHMR Center on Highway 63 West in Jasper, Texas on Tuesday, November 24, 1987 at 5:30 P.M.

INVOCATION: Reverend Robert Carter gave the invocation.

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 Mrs. George E. Gee and her family, Mrs. Thelma Fillyaw, mother of Kathy Fillyaw-Lockhart, Mr. John Wilson and Mrs. Theresa Bailey from the Jasper MHMR Center, and Mr. Glen Jordan, Service Director of the Tyler MHMR Center, who were in attendance. Judge Sturrock also introduced Mrs. Bobbie Morgan, the new Board Member representing Jasper and Newton Counties.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the October Board Meeting, on a motion by Mr. Dominey, seconded by Mr. Sampson, the Board unanimously approved the Minutes of the October 27, 1987 Board Meeting.

Item IV-B-1 was taken up at this time in order that the Mrs. Gee and her family and Mrs. Fillyaw could leave the meeting if they desired.

Consideration of Naming the New Building: On a motion by Mr. Burke, seconded by Judge Sturrock, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the new Jasper MHMR Center be named the George E. Gee Building, and THAT the Executive Director be authorized to install a plaque so naming the building in the entrance hall as a permanent reminder to the public of the great contributions Mr. Gee made to the people of Jasper and Newton Counties.

Consideration of Naming the Community Room: On a motion by Judge Sturrock, seconded by Mr. Burke, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the community room in the new Jasper MHMR Center be named the Kathy Fillyaw-Lockhart Community Room, and THAT the Executive Director be authorized to install a plaque on the door reflecting the name of the room as a permanent reminder to the public of Kathy's service to the clients of the Jasper/Newton Sheltered Workshop.

EXECUTIVE DIRECTOR'S REPORT:

1. Discussion of the meeting at the Shelby MHMR Center. Dr. McDermott reminded the Board of the flooding and facility problems at the Shelby County MHMR Center, and discussed the recent meeting with the builder, Mr. Campbell, and the Center's attorney, Wayne Haglund, Perry Sampson, and staff members. Mr. Campbell admitted that he did have some responsibility to fix the roof and replace the sheetrock, but he blames the flooding on our lack of maintenance and is asking for \$2,500.00 to repair the drainage problems. Mr. Haglund has recommended that we give Mr. Campbell the \$2,500.00, but only if he will sign an addendum to the lease agreement that allows us to break the contract if other problems occur. The Board agreed with the recommendation and Mr. Haglund will be told to prepare the addendum.
2. Discussion of Hardin County Mental Health Services: Dr. McDermott explained that Southeast Texas MHMR in Beaumont is willing to contract with us to provide mental health

services to clients in Hardin County. He is still working with Roger Pricer and Judge McKinney on this issue.

3. Call on Directors for Reports

Director, Business Services

- a. Local Match Report: Linda reported that 65% of the pledge letters have been received for FY 1988.

Director, Mental Retardation Services

- a. Discussion of Reorganization of ICS Program: Susan reported that the program is now called Home and Community Based Services.
- b. Discussion of Building Projects in Kirbyville and San Augustine: Susan reported that she is still looking for a suitable site in Kirbyville, and is working with a private investor in San Augustine regarding the building of a facility there.
- c. Discussion of Hardin County Sheltered Workshop Building: Susan reported that they are looking into several possibilities at this time for a larger building in Hardin County.

Administrative Assistant

- a. Sandy Vann discussed the issue of when supporting documents are mailed to the Board, and asked if they felt that they had sufficient time to review them or if they wanted to receive them earlier. Board members stated that the current mailing schedule allows them sufficient time to read the documents.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

Budget and Finance Committee - Rev. Ed Dodson, Chairman

Consideration of Treasurer's Report: On a motion by Mr. Dominey, seconded by Rev. Carter, 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 October, 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 for FY 1987: 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 audit report for FY 1987 as submitted by the accounting firm of Alexander, Lankford & Hiers, Inc., THAT the Board Chairman and 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 permanent copy of this report be maintained in the Business Services office.

Consideration of Employee Incentive Bonus: On a motion by Mr. Dominey, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed employee incentive bonus be approved as submitted; THAT surplus funds from FY 1987 be used to pay the incentive bonus, and THAT the incentive bonus checks be distributed to the employees with the November paychecks, along with a letter of appreciation from the Board.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Centerwide Mission Statement and Goals: On a motion by Mrs. Morgan, seconded by Rev. Carter, the Board voted unanimously to table this item until the December meeting.

Consideration of Possessory Conservatorship for Client: On a motion by Mrs. Morgan, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Center's Attorney, Wayne Haglund, be authorized to proceed with the legal steps necessary to have the Center named as Possessory Conservator of Client #25234, THAT the Executive Director, Director of Mental Retardation Services, Director of Family Support Services, and ICS Coordinator each be authorized to act on his behalf while he is enrolled in Center programs, and THAT a copy of the petition and decree be maintained in the client record.

Consideration of Nominees to Professional Staff Organization:

On a motion by Mr. Burke, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Linda Mask, R.N. be approved for appointment to the Professional Staff of the Pineywoods Regional Treatment Center; THAT Dan Dohanich, A.C.S.W., M.S.W. 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.

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

Consideration of Third Party Administration for Self-Funded Medical Insurance Program: On a motion by Mr. Sampson, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board accept the proposal from Risk Funding Alternatives to provide medical reinsurance and administration services for the Center's self-insurance plan, THAT the Executive Director be authorized to sign the agreement for services, and THAT a copy of the plan be maintained in the personnel office.

Consideration of Personnel Matters (In Two 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 6:55 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 7:09 P.M. and asked Board consideration of the following items:

Part 1: Consideration of Increasing Psychologist Position to 80% at Jasper MHMR Center: On a motion by Rev. Carter, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Position #0022, Psychologist at the Jasper

MHMR Center, be increased from 60% to 80% effective December 1, 1987.

Part 2: Consideration of Creation of Caseworker I Position at 75% at Jasper MHMR Center: On a motion by Rev. Carter, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT
Position #273, Caseworker I, be created at
75% of full-time at the Jasper MHMR Center.

INVITE COMMENTS FROM VISITORS:

There were no comments from visitors at this time.

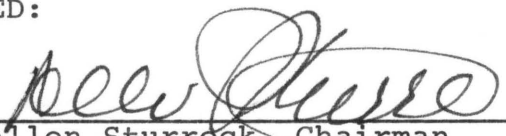
DESIGNATION OF DATE, TIME AND LOCATION OF NEXT BOARD MEETING:

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

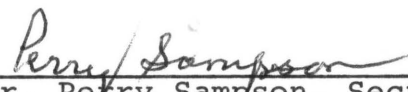
Tuesday, December 15, 1987
Tuesday, January 26, 1987

Committee meetings will begin at 5:00 P.M. and the Board meeting will begin at 5:30 P.M. on December 15th.

APPROVED:



Judge Allen Sturrock, Chairman



Mr. Perry Sampson, Secretary

DEEP EAST TEXAS REGIONAL MHMR SERVICES
REVENUE BY FUND
9/1/87 - 10/31/87

SOURCE	ANNUAL BUDGET	MONTHLY BUDGET	OCTOBER REV. & REC.	OCTOBER OVER/(UNDER)	Y-T-D REV & REC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Court Commitment Income	30,000	2,500	620	(1,880)	4,435	(565)	25,565	2,557
Angelina County	29,286	2,441	2,440	(1)	4,881	(1)	24,405	2,441
Hardin County	14,532	1,211	1,211	0	2,422	0	12,110	1,211
Houston County	6,584	549	548	(1)	1,097	(1)	5,487	549
Jasper County	11,595	966	967	1	1,933	1	9,662	966
Nacogdoches County	17,963	1,497	1,497	0	2,994	0	14,969	1,497
Newton County	5,986	499	499	0	998	0	4,988	499
Polk County	9,846	821	821	0	1,642	0	8,204	820
Sabine County	2,838	237	236	(1)	473	(1)	2,365	237
San Augustine County	2,802	234	233	(1)	467	(1)	2,335	234
San Jacinto County	4,107	342	343	1	685	1	3,422	342
Shelby County	6,400	533	534	1	1,067	1	5,333	533
Trinity County	5,127	427	428	1	855	1	4,272	427
Tyler County	7,609	634	634	0	1,268	0	6,341	634
Temple Grant	79,213	6,601	0	(6,601)	0	(13,202)	79,213	7,921
Foundation Grant	1,056,923	88,077	61,283	(26,794)	212,429	36,275	844,494	84,449
Client Fees	882,352	73,529	102,088	28,559	170,973	23,915	711,379	71,138
Title XX - Protective Services	113,500	9,458	14,141	4,683	20,503	1,587	92,997	9,300
Foundation Grant-Const.	0	0	0	0	0	0	0	0
Farm Income	3,000	250	0	(250)	0	(500)	3,000	300
Texas Rehabilitation Commission	55,000	4,583	1,070	(3,513)	1,333	(7,833)	53,667	5,367
ICF - MR	518,093	43,174	45,227	2,053	89,590	3,242	428,503	42,850
SB 230	85,000	7,083	8,000	917	16,000	1,834	69,000	6,900
ICS	308,218	25,685	9,960	(15,725)	19,599	(31,771)	288,619	28,862
Dept. of Highways & Pub. Transp.	528,000	44,000	46,424	2,424	89,407	1,407	438,593	43,859
Nacogdoches ISD	13,480	1,123	0	(1,123)	0	(2,246)	13,480	1,348
Insurance Revenue	0	0	3	3	5	5	(5)	(1)
Workshop Production	168,100	14,008	9,910	(4,098)	23,306	(4,710)	144,794	14,479
Donations	10,000	833	235	(598)	895	(771)	9,105	911
Interest	25,000	2,083	17,341	15,258	22,036	17,870	2,964	296
Miscellaneous	80,000	6,667	10,140	3,473	16,370	3,036	63,630	6,363
Grant-in-Aid	1,902,710	158,559	158,737	178	317,475	357	1,585,235	158,524
Rusk State Hospital	127,669	10,639	10,843	204	21,337	59	106,332	10,633
SB 630	302,092	25,174	24,242	(932)	44,387	(5,961)	257,705	25,771
DHR - Adult Day Care	25,887	2,141	2,047	(94)	3,841	(441)	21,846	2,185
DHR - Child Day Care	166,369	13,864	6,914	(6,950)	19,429	(8,299)	146,940	14,694
RAJ	850,000	70,833	59,732	(11,101)	104,732	(36,934)	745,268	74,527
Ielsz	1,134,129	94,511	84,538	(9,973)	172,376	(16,646)	961,753	96,175
TCADA Grant	312,000	26,000	11,865	(14,135)	18,165	(33,835)	293,835	29,384
Probation	8,000	667	0	(667)	0	(1,334)	8,000	800
S.Y.E.T.P.	12,000	1,000	0	(1,000)	0	(2,000)	12,000	1,200
J.T.P.A.	5,000	417	0	(417)	0	(834)	5,000	500
DHS Liaison	115,600	9,633	10,269	636	20,161	895	95,439	9,544
Chapter I	35,693	2,974	1,191	(1,783)	1,191	(4,757)	34,502	3,450
Chapter I Carryover	27,834	2,320	2,993	673	5,502	862	22,332	2,233
Mental Health Block Grant	460,203	38,350	38,351	1	76,702	2	383,501	38,350
USDA	26,923	2,244	2,388	144	4,598	110	22,325	2,233
TOTALS	9,592,463	799,371	750,943	(48,428)	1,517,559	(81,183)	8,074,904	807,490

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/87 - 10/31/87

CATEGORY	ANNUAL BUDGET	MONTHLY BUDGET	OCTOBER EXP. & ENC	OCTOBER OVER(UNDER)	Y-T-D EXP & ENC	Y-T-D OVER(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Salaries & Wages	4,518,534	376,545	347,787	(28,758)	691,793	(61,292)	3,826,736	382,674
Salary & Merit Increase	23,899	1,992	184	(1,808)	184	(3,800)	23,715	2,372
Fringe Benefits	646,195	53,850	53,463	(387)	109,292	1,592	536,903	53,690
Consultation & Professional Fees	65,046	5,421	3,956	(1,465)	5,501	(5,341)	59,545	5,955
Travel	128,008	10,667	12,998	2,331	22,538	1,204	105,470	10,547
Drugs	34,063	2,839	2,505	(334)	5,100	(578)	28,963	2,896
Food	177,033	14,753	12,915	(1,838)	20,564	(8,942)	156,469	15,647
Supplies	222,548	18,546	21,700	3,154	31,862	(5,230)	190,686	19,069
Farm Operating Supplies	750	63	141	78	141	15	609	61
Supply Inventory	0	0	6,081	6,081	6,081	6,081	(6,081)	(508)
Equipment & Furniture/Purchase	156,310	13,026	10,773	(2,253)	27,736	1,684	128,574	12,857
Equip & Fur./Rental,Rep. & Mt.	69,107	5,759	5,610	(149)	11,088	(430)	58,019	5,802
Building/Rent	332,659	27,722	26,351	(1,371)	52,325	(3,119)	280,334	28,033
Bldg./Repair, Maint., Rem./Ren.	55,593	4,633	5,356	723	12,332	3,066	43,261	4,326
Vehicle/Purchase	86,740	7,228	2,320	(4,908)	32,408	17,952	54,332	5,433
Vehicle/Rental	5,292	441	410	(31)	820	(62)	4,472	447
Vehicle/Operating Costs	120,000	10,000	12,350	2,350	20,100	100	99,900	9,990
Contracts with Service Agencies	1,091,284	90,940	82,660	(8,280)	138,527	(43,353)	952,757	95,276
Postage	18,861	1,572	610	(962)	2,521	(623)	16,340	1,634
Freight Costs	0	0	64	64	64	64	(64)	(6)
Laboratory Expense	5,825	485	121	(364)	199	(771)	5,626	563
Telephone	116,371	9,698	3,010	(6,688)	20,741	1,345	95,630	9,563
Annual Audit	9,400	783	780	(3)	1,600	34	7,800	780
Insurance	145,035	12,086	9,269	(2,817)	19,135	(5,037)	125,900	12,590
Client Wages/Fringe	443,370	36,948	36,057	(891)	68,806	(5,090)	374,564	37,456
Utilities	156,231	13,019	13,369	350	28,036	1,998	128,195	12,820
Emolument	2,100	175	175	0	350	0	1,750	175
Miscellaneous	161,810	13,484	15,918	2,434	28,718	1,750	133,092	13,309
Interest Expense	10,399	867	950	83	1,922	188	8,477	848
Court Commitment Expense	33,000	2,750	2,620	(130)	6,593	1,093	26,407	2,641
Construction Expense	75,700	6,308	(105,485)	(111,793)	72	(12,544)	75,628	7,563
Capital Bldg. Expense	681,300	56,775	155,087	98,312	155,087	41,537	526,213	52,621
TOTALS	9,592,463	799,375	740,105	(59,270)	1,522,241	(76,509)	8,070,222	807,022

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/87 - 10/31/87

PROGRAM	ANNUAL BUDGET	MONTHLY BUDGET	OCTOBER EXP. & ENC	OCTOBER OVER/(UNDER)	Y-T-D EXP & ENC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Center Administration	751,788	62,650	77,166	14,516	138,205	12,905	613,583	61,358
Case Management	343,272	28,607	22,606	(6,001)	47,662	(9,552)	295,610	29,561
Client & Family Support-MH	1,273,627	106,137	106,457	320	205,045	(7,229)	1,068,582	106,858
Special Education	1,237,912	103,160	102,480	(680)	202,260	(4,060)	1,035,652	103,565
Client & Family Support-MR	1,560,352	130,029	136,563	6,534	253,059	(6,999)	1,307,293	130,729
MR Residential	1,293,004	107,750	95,037	(12,713)	184,520	(30,980)	1,108,484	110,848
MH Residential	3,132,508	261,042	199,796	(61,246)	491,490	(30,594)	2,641,018	264,102
TOTALS	9,592,463	799,375	740,105	(59,270)	1,522,241	(76,509)	8,070,222	807,022

DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
AS OF OCTOBER 31, 1987

	OCTOBER	YEAR-TO-DATE
REVENUE & RECEIVABLES	750,943	1,517,559
EXPENDITURES & ENCUMBRANCES	(740,105)	(1,522,241)
DIFFERENCE	10,838	(4,682)

REVENUE/EXPENDITURE ANALYSIS

RECOGNIZED REVENUE/RECEIVABLES		1,517,559
ADD: UNRECOGNIZED REVENUE		
LELSZ	401,772	
TEMPLE	87,218	
TEMPLE FOUNDATION GRANT	1,518,178	
RAJ (ESTIMATED)	0	
MEDICARE PAYMENT	105746	
PINEYWOODS ANNEX	355000	
TOTAL UNRECOGNIZED REVENUE		2,467,914
LESS: RESTRICTED INTEREST		
RESERVE OPERATING FUND	641	
PENSION	548	
BUILDING FUND	16	
FOUNDATION FUND	11062	
PINEYWOODS ANNEX FUND	2197	
TOTAL RESTRICTED INTEREST		14,464
TOTAL NET REVENUE		3,971,009
RECOGNIZED EXPENDITURES/ENCUMBRANCES		1,522,241
LESS UNRECOGNIZED EXPENDITURES/ENCUMBRANCES		0
TOTAL NET EXPENDITURES/ENCUMBRANCES		1,522,241
DIFFERENCE OF REVENUE OVER/(UNDER) EXPENDITURES		2,448,768
REVENUE OVER EXPENDITURES		2,448,768
RESERVE OPERATING FUND		216,534
TOTAL AVAILABLE REVENUE		2,665,302

DEEP EAST TEXAS REGIONAL MHMR SERVICES
BALANCE SHEET
OCTOBER 31, 1987

ASSETS	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
Current Assets			
Cash in Bank	3,130,429		3,130,429
Change Fund	490		490
Petty Cash	80		80
Accts Receivable-Client Fees	509,516		
Less: Allowance for Uncollect- able Accounts	(145,737)		
Net Accounts Receivable	363,779		363,779
Accounts Receivable-Other	400,989		400,989
Accounts Receivable-Internal Advances	5,000		5,000
Prepaid Expenses	72,350		72,350
TOTAL CURRENT ASSETS	3,973,117		3,973,117
Amount To Be Provided Under Accrued Vacation	173,774		173,774
Amount To Be Provided Under Capital Lease Agreements	60,508		60,508
Amount To Be Provided Under Long-Term Agreement	73,356		73,356
General Fixed Assets - At Cost			
Equipment - Furniture/Fixtures		540,260	540,260
Vehicles		582,542	582,542
Building		325,645	325,645
Land		63,940	63,940
TOTAL FIXED ASSETS		1,512,387	1,512,387
TOTAL ASSETS	4,280,755	1,512,387	5,793,142
LIABILITIES, RESERVES & FUND BALANCE			
Current Liabilities:			
Accounts Payable	89,780		89,780
Misc. Payroll Ded.	100		100
Accounts Payable-Internal Adv.	5,000		5,000
Retirement Payable	50,650		50,650
Prepaid Revenue	2,664,280		2,664,280
Trust Fund Payable	5,461		5,461
Ins. Payable	(28,512)		(28,512)
TOTAL CURRENT LIABILITIES	2,786,759		2,786,759
Obligation Under Accrued Vacation	173,774		173,774
Obligation Under Capital Lease Agreements	60,508		60,508
Obligation Under Long-Term Agreement	73,356		73,356
TOTAL LIABILITIES	3,094,397		3,094,397
Reserve for Investment in Fixed Assets		1,512,387	1,512,387
Reserve for Encumbrances	(77,177)		(77,177)
Fund Balance	1,009,181		1,009,181
TOTAL LIABILITIES, RESERVES & FUND BALANCE	4,280,755	1,512,387	5,793,142

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

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

From Local to Chapter I Carryover	5,000

	5,000
TOTAL	=====

CASH POSITION STATEMENT

Cash in Bank:	
Operating Account (Community State & General)	158,602
Money Market Checking Account - Pension	51,298
Money Market Checking Account - General	207,780
CD - LELSZ	400,000
Money Market Checking Account - Diboll (LELSZ)	9,577
Money Market Checking Account - Inpatient	87,613
Money Market Checking Account - Republic (Foundation)	9,031
CD - Republic (Foundation)	1,133,080
Money Market Checking Account - Diboll (Foundation)	57,378
Reserve Operating Account	216,534
Payroll Account	2,569
CD - Diboll State Bank Foundation	425,000
CD - Hardin	7,967
Chapter I Account	1,341
Money Market Checking Account - Republic (Annex)	3197
CD - Republic (Annex)	354000

CASH IN BANK	3,124,967
Trust Fund Account	5,462

TOTAL CASH IN BANK	3,130,429
Change Fund	490
Petty Cash	80

TOTAL CASH ON HAND	3,130,999
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DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
AS OF OCTOBER 31, 1987

Depository	Type of Account	Balance of each Account	FDIC/ FSLIC Max.	Security Pledges
Lovelady State Bank	NOW Checking	157,088		
	M. M. Checking	207,780		
	Inpatient M. M.	87,613		
	Pension M. M.	51,298		
	Trust Fund M. M.	5,461		
	Chapter I Checking	1,341		
	Payroll Checking	2,569		
	Certificates of Deposit	7,967	100,000	850,000
Sub-Total - Lovelady		521,117	100,000	850,000
Diboll State Bank	M. M. Checking	57,378		
	Foundation			
	M. M. Checking	9,577		
	Lelsz			
	Certificates of Deposit	825,000	100,000	800,000
Sub-Total - Diboll State		891,955	100,000	800,000
Community State Bank	NOW Checking	1,514	100,000	
	Certificates of Deposit	41,364		
Sub-Total - Community State		42,878	100,000	0
Lufkin Fedral Savings And Loan Association	Certificates of Deposit	49,320	100,000	
Sub-Total - Lufkin Fedral S&L		49,320	100,000	0
Peoples National Bank And Loan Association	Certificates of Deposit	63,000	100,000	
Sub-Total - Peoples National		63,000	100,000	0
Home Savings And Loan Association	Certificates of Deposit	11,970	100,000	
Sub-Total - Home Savings		11,970	100,000	0
Republic Bank	M. M. Checking	9,032		
	Foundation			
	M. M. Checking	3,197		
	Lelsz			
	Certificates of Deposit	1,528,415	100,000	215,000
Sub-Total - Republic Bank		1,540,644	100,000	215,000
Lufkin Regional FCU	Certificates of Deposit	9,545	100,000	
Sub-Total - Lufkin Regional FCU		9,545	100,000	0
Total of all Cash In Bank		3,130,429	800,000	1,865,000

DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN FUND BALANCE AND RESERVE
AS OF OCTOBER 31, 1987

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS
BALANCE - 10/1/87	998,343	1,510,178
REVENUE	750,943	
EXPENDITURES	(740,105)	
ADDITIONS		5,604
DELETIONS		(3,395)
BALANCE - 10/31/87	1,009,181	1,512,387
	=====	=====

DEEP EAST TEXAS REGIONAL MHMR SERVICES
OPERATING STATEMENT
OCTOBER 31, 1987

SOURCE OF INCOME:	RECEIPT	RECEIVABLES	TOTAL
	-----	-----	-----
Court Commitment Income	0	620	620
Angelina County	0	2,440	2,440
Hardin County	0	1,211	1,211
Houston County	0	548	548
Jasper County	1	966	967
Nacogdoches County	0	1,497	1,497
Newton County	0	499	499
Polk County	0	821	821
Sabine County	0	236	236
San Augustine County	0	233	233
San Jacinto County	1	342	343
Shelby County	1	533	534
Trinity County	1	427	428
Tyler County	0	634	634
Temple Grant	0	0	0
Foundation Grant	61,283	0	61,283
Client Fees	34,159	67,929	102,088
Title XX - Protective Services	4,441	9,700	14,141
Foundation Grant-Const.	0	0	0
Farm Income	0	0	0
Texas Rehabilitation Commissio	505	565	1,070
ICF - MR	1,593	43,634	45,227
SB 230	0	8,000	8,000
ICS	0	9,960	9,960
Dept. of Highways & Pub. Trans	2,213	44,211	46,424
Nacogdoches ISD	0	0	0
Insurance Revenue	3	0	3
Workshop Production	0	9,910	9,910
Donations	235	0	235
Interest	17,341	0	17,341
Miscellaneous	9,998	142	10,140
Grant-in-Aid	158,737	0	158,737
Rusk State Hospital	0	10,843	10,843
SB 630	0	24,242	24,242
DHR - Adult Day Care	0	2,047	2,047
DHR - Child Day Care	19	6,895	6,914
RAJ	9,732	50,000	59,732
Lelsz	84,538	0	84,538
TCADA Grant	1,478	10,387	11,865
Probation	0	0	0
S.Y.E.T.P.	0	0	0
J.T.P.A.	0	0	0
DHS Liaison	0	10,269	10,269
Chapter I	0	1,191	1,191
Chapter I Carryover	527	2,466	2,993
Mental Health Block Grant	38,351	0	38,351
USDA	8	2,380	2,388
TOTALS	425,165	325,778	750,943
	=====	=====	=====

DEEP EAST TEXAS REGIONAL MHMR SERVICES
 OPERATING STATEMENT
 OCTOBER 31, 1987

SOURCE OF EXPENDITURES	DISBURSEMENTS	ENCUMBRANCES	TOTAL
Salaries & Wages	347,787	0	347,787
Salary & Merit Increase	184	0	184
Fringe Benefits	50,924	2,539	53,463
Consultation & Professional Fees	3,956	0	3,956
Travel	12,998	0	12,998
Drugs	2,392	113	2,505
Food	3,805	9,110	12,915
Supplies	9,807	11,893	21,700
Farm Operating Supplies	0	141	141
Supply Inventory	0	6,081	6,081
Equipment & Furniture/Purchase	0	10,773	10,773
Equip & Fur./Rental, Rep. & Mt.	5,270	340	5,610
Building/Rent	21,001	5,350	26,351
Bldg./Repair, Maint., Rem./Ren.	2,987	2,369	5,356
Vehicle/Purchase	2,320	0	2,320
Vehicle/Rental	410	0	410
Vehicle/Operating Costs	8,977	3,373	12,350
Contracts with Service Agencies	6,065	76,595	82,660
Postage	610	0	610
Freight Costs	64	0	64
Laboratory Expense	121	0	121
Telephone	2,933	77	3,010
Annual Audit	0	780	780
Insurance	9,269	0	9,269
Client Wages/Fringe	33,267	2,790	36,057
Utilities	10,805	2,564	13,369
Emolument	175	0	175
Miscellaneous	6,857	9,061	15,918
Interest Expense	950	0	950
Court Commitment Expense	0	2,620	2,620
Construction Expense	0	(105,485)	(105,485)
Capital Bldg. Expense	82,954	72,133	155,087
TOTALS	626,888	113,217	740,105

LOCAL MATCH CHART - FY 1988

<u>COUNTY</u>	<u>AMOUNT REQUESTED</u>	<u>AMOUNT PLEDGED</u>	<u>AMOUNT RECEIVED</u>
Angelina	\$ 29,286.00	\$ 29,286.00	\$
Hardin	14,532.00	14,532.00	
Houston	6,584.00	6,584.00	
Jasper	11,595.00	11,595.00	
Nacogdoches	17,963.00		
Newton	5,986.00		
Polk	9,946.00	9,846.00	
Sabine	2,838.00		
San Augustine	2,802.00		
San Jacinto	4,107.00	4,107.00	
Shelby	6,400.00		
Trinity	5,217.00	5,127.00	
Tyler	<u>7,609.00</u>	<u> </u>	<u> </u>
	\$124,675.00	\$ 81,077.00 (65%)	

FINAL
11/24/87

IV. EXECUTIVE DIRECTOR'S REPORT

1. Shelby MHMR - Kenneth Campbell meeting with Haglund and Sampson
2. Discussion of Hardin County Mental Health Services
3. Call on Directors for Reports

Director, Financial Services

- a. Local Match Report

Director, Mental Retardation Services

- a. Discussion of Reorganization of ICS Program
- b. Discussion of Hardin County Sheltered Workshop Building
- c. Discussion of Building Projects in Kirbyville and San Augustine

Administrative Assistant

- a. Discuss issue of mailing Supporting Documents

SERVICE AGREEMENT

This Agreement is made and entered into this 30th day of October, 1987, by and between Risk Funding Alternatives, Inc., a corporation duly organized and existing under the Laws of the State of Texas with its principal place of business at 1101 E.S.E. Loop 323, Bldg. IV, Suite 685, Tyler, Texas 75701, (hereinafter referred to as Plan Supervisor), and Deep East Texas Regional Mental Health Mental Retardation Services, a corporation/company duly organized and existing under the Laws of Texas with its principal place of business at 4101 S. Medford Drive Lufkin, Texas 75901, (hereinafter referred to as Plan Sponsor).

WITNESSETH

WHEREAS, the Plan Supervisor has developed a system of procedures, forms, manual and computer applications designed for the efficient administration of Employee Group Health and Welfare Benefit Plans (hereinafter referred to as the System); and,

WHEREAS, the Plan Sponsor desires to avail itself of the said System and the services of the Plan Supervisor for the purpose of assistance in the administration of the Plan Sponsor's Employee Health and Welfare Benefit Plan, which is funded through an Employee Benefit Trust and purports to furnish such benefits to eligible employees as are defined in Exhibits A, A-1, A-2 which are attached to and made part of said Trust (hereinafter referred to as the Plan, consisting of the Trust, Plan Document, and Policies of Insurance) and;

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WHEREAS, the Plan Sponsor desires to compensate the Plan Supervisor for its services and the use of its System.

NOW THEREFORE, in consideration of these premiums, it is agreed as follows:

Article One, Duties of Plan Supervisor

1. The Plan Supervisor is to be the agent of the Plan in connection with investigation, processing and resolution of claims asserted by eligible Participating Employees and Participating Dependents under the Plan, and will make benefit disbursements only in accordance with the Plan Specifications and Schedule of Benefits contained in the Plan Document or Policies of Insurance which constitute the Plan.
2. In the event a claim is denied, in whole or in part, the Plan Supervisor will notify the Plan Participant of the denial. Such notification will be made in writing within 90 days of the date the claim is received by the Plan Supervisor, and will be transmitted through the office of the Plan Sponsor. The notification will include the specific reason(s) for the denial, as well as specific references to the Plan Document Provisions upon which such denial is based. The Participant will be advised as to the steps he may take to have the claim denial reviewed by, firstly, the Plan Supervisor and finally, the Plan Sponsor.

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A decision as to the validity of a claim will ordinarily be made within ten working days of the date the claim is received by the Plan Supervisor, provided all necessary documents and claim forms are included in the initial submission. If necessary documentation is not complete, the Participant will be notified of the reasons for the delay, as well as the anticipated length of the delay, in writing through the office of the Plan Sponsor. If the Plan Supervisor requires additional information from the Participant, he will be notified.

3. The Plan Supervisor will utilize its proprietary system of procedures, forms, manuals, and computer programmed Loss Experience Reports in connection with the discharge of its duties as specified in paragraph 1, above.
4. The Plan Supervisor will consult with the Plan Sponsor at reasonable intervals through the term of this agreement.
5. The Plan Supervisor will maintain a claim file on every claim reported to it by the Participants in the Plan. Such files shall be made available to the Plan Sponsor for consultation and review upon reasonable notice and request, during the business day and at the office of the Plan Supervisor.

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6. The Plan Supervisor will provide a monthly check register to the Plan Sponsor to account for disbursements made from the Trust Fund.
7. The Plan Supervisor will indemnify, defend, save, and hold the Plan Sponsor harmless from and against any claim, suit, action, liabilities, loss, and damages of any kind including, but not limited to, direct, indirect, consequential or punitive expenses or fees, including attorney's fees with respect to the Plan which result from or arise out of the dishonest, fraudulent or criminal acts of the Plan Supervisor's employees.
8. The Plan Supervisor will furnish the Plan Sponsor complete information relative to contributions or deposits received by the Plan, and claims or other expenses disbursed by the Plan, within 120 days of the end of the Plan's Fiscal Year.
9. The Plan Supervisor will make disbursements from the Trust in accordance with the Letter of Authorization as provided in Exhibit A-3.

Article Two, Duties of the Plan Sponsor

1. The Plan Sponsor will furnish an executed copy of the Plan Document, together with all addenda, appendices and exhibits which shall constitute the entire plan, to the Plan Supervisor within sixty (60) days after the effective date of this Agreement

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2. The Plan Sponsor will instruct the Trustee of the Fund through which the Plan is financed, to provide such authorization as may be necessary or required for the Plan Supervisor to draw checks or other financial instruments against the Trust Fund for the purpose of discharging its duties as set forth in Article One, Paragraph 1, hereof, relative to the disbursement of benefits which are subject to the terms and conditions of the Plan Document.
3. The Plan Sponsor will provide the Plan Supervisor with continuing and up-to-date listings of eligible employees, who are Participants under the Plan, and of such other persons who are participating Dependents under the Plan. The Plan Sponsor will notify the Plan Supervisor of any change in classification or the ineligibility of any Participating Employee or Participating Dependent in a timely manner and assumes the responsibility for the erroneous disbursement of benefits by the Plan Supervisor in the event of neglect to provide such notification.

- \$6.00 per employee, per month ("Employee" shall be any covered employee who is a participant in the Plan at any time during the month)

5. The Plan Sponsor agrees to pay any and all taxes, licenses and fees levied, if any by local, State or Federal authority in connection with the operation of the Plan or in connection with the duties of the Plan Supervisor hereunder. The Plan Supervisor agrees to notify the Plan Sponsor and make arrangements for payment thereof if any such levy appears imminent.
6. The Plan Sponsor will indemnify, defend, save, and hold the Plan Supervisor harmless from and against any claims, suit, action, liability, loss and damages of any kind including, but not limited to, direct, incidental, consequential or punitive expenses or fees, including attorney's fees with respect to the Plan, arising without the scope of authority hereby granted to the Plan Supervisor by the Plan Sponsor.

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7. The Plan Sponsor acknowledges that the Plan Supervisor does not insure nor underwrite the liability of the Plan Sponsor under the Plan.
8. The Plan Sponsor acknowledges its retention of the ultimate responsibility of adjudicating the fact of any claim denied, in whole or in part, by the Plan Supervisor and which claim is appealed in accordance with the rights of appeal granted to Plan Participants under the Employee Retirement Security Act of 1974.
9. The Plan Sponsor acknowledges that it is the Plan Administrator and that the Plan Supervisor does not, and is specifically enjoined hereby, from the exercise of any discretionary powers or authority in the disbursement of benefits, but shall pay or deny benefits based solely upon the fact of each claim asserted under the Plan and the specific provisions of the Plan Document furnished and executed by the Plan Sponsor.

Article Three, Default of Plan Sponsor

1. In the event that the Plan Sponsor shall fail to make any of the required contributions to the Trust Fund, as specified in said Trust, the Plan Supervisor shall have the right to terminate this Agreement upon fifteen (15) days written notice to the Plan Sponsor.

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2. In the event of termination of this Agreement resulting from the default of the Plan Sponsor, as provided above, the Plan Supervisor shall charge, and the Plan Sponsor shall pay to the Plan Supervisor, all fees, commitments, and obligations incurred by the Plan Supervisor through such date of termination including the cost of collection.

Article Four, Agreement Modification

1. No alterations, modifications, or variations in this Agreement or in the terms thereof will be valid or binding upon either party unless made in writing, executed by both parties to this Agreement, and annexed hereto.

Article Five, Applicable Law

1. This Agreement shall be governed by the Laws of the State of Texas, both as to performance and as to interpretation.

Article Six, Entire Agreement

1. This Agreement together with all addenda, appendices, and exhibits (which term shall include, but not be limited to, the Trust Instrument, under which the Plan is funded; the Plan Document; Insurance policies of any nature which pertain to the benefits to be administered under the Plan; and, any Excess Risk Assurance Agreements which pertain to the Plan) supersedes any and all prior representations, conditions,

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warranties, understanding proposals, or other agreements between the parties hereto, oral or written, in relation to the services and Systems of Risk Funding Alternatives. Inc. which are rendered or are to be rendered in connection with its assistance to the Plan Sponsor in the administration of the Plan.

2. This Agreement, together with the aforesaid addenda, appendices and exhibits, constitutes the sole, full and complete agreement between the parties hereto.
3. The parties hereto, having read and understood the entire Agreement, acknowledge and agree that there are no other representations, conditions, promises, agreements, understandings, or warranties that exist outside this Agreement which have been made by either of the parties hereto, which have induced either party or has led to the execution of this Agreement by either party. Any statements, proposals, representations, conditions, warranties, understandings, or agreements which may have been heretofore made by either of the parties hereto, and which are not expressly contained or incorporated by reference herein, are void and of no effect.

Jim McNamee
Authorized Representative

10-30-87

ask Funding Alternatives, Inc.
an Supervisor

over the past two years, our focus must be on the chronic client rather than on the mentally ill client. The Department has defined core services and allows state funds to be spent only on those core services. The result is that we are unable to serve anyone in the outpatient clinic except for the chronic client. In order to provide services to those mentally ill clients, we must be innovative and develop new revenue sources. The revised Mission Statement and Goals clearly shows the new direction the Center would take if the goals were adopted. The Board will be asked to take action on the Mission Statement and Goals at the regular meeting which begins at 5:30 P.M.

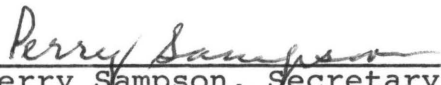
The last item discussed at the Workshop was a review of the Board Policy Manual. New Manuals that contained all revised policies approved at the August 25, 1987 Board Meeting were distributed to Board members and a thorough review of the Board Policy Manual followed. No action was required by the Board.

The meeting was adjourned at 4:45 P.M in order for Board Committees to meet. Dinner was served at 5:00 P.M.

APPROVED:



Judge Allen Sturrock, Chairman



Perry Sampson, Secretary

MINUTES

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

NOVEMBER 24, 1987

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mr. Dan D. Dominey
Mr. Perry Sampson
Mr. Ward R. Burke
Rev. Robert Carter
Mrs. Bobbie Morgan

BOARD MEMBERS ABSENT:

Nancy Speck, Ph.D. Vice Chairman
Rev. Ed Dodson
Judge Charles English
Mrs. Beth Brice

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Sandy Vann	MHMR
Susan Rushing	MHMR
Linda Naff	MHMR
Larry Heaton	MHMR
George Patterson	MHMR
Mr. John Wilson	Jasper MHMR
Mrs. Teresa Bailey	Jasper MHMR
Mrs. Betty Snowden	Jasper MHMR
Mr. Tom Marsh	Jasper MHMR

The 179th meeting of the Board of Trustees was held on Tuesday, November 24, 1987 at the Jasper MHMR Center. Board Members met at the Central Administration facility at 4101 South Medford Drive in Lufkin at 12:00 noon to travel to Jasper.

INVOCATION: Reverend Robert Carter gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 1:00 P.M. He introduced Mr. John Wilson, the Service Director of the Jasper County MHMR Center, and Mrs. Theresa Bailey, LVN, to the Board.

The first item on the agenda was a tour of the new facility, as well as a tour of the current facility and the greenhouse. After the tour, the Board met to hear a discussion from John Wilson, Teresa Bailey, and Tom Marsh on their proposed new greenhouse venture.

Dr. McDermott then distributed a copy of the proposed Mission Statement and Goals for the Center, and an extensive discussion followed. Dr. McDermott explained that due to Legislative mandates