

MINUTES

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

JUNE 27, 1989

BOARD MEMBERS PRESENT:

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

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mr. Sandy Skelton	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. George Patterson	MHMR
Mrs. Sandy Vann	MHMR
Mr. Tim Richerson	MHMR
Mrs. Kim Abernethy	MHMR
Ms. Donna Teafatiller	MHMR
Ms. Connie Wood	MHMR
Mr. Joseph Hawk	MHMR Client
Mr. Gary Morgan	Arthur Andersen
Mr. Stephen Teal	MHMR

The 200th 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, June 27, 1989 at 4:00 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 P.M. and reported that the guests in attendance would be introduced during the Executive Director's Report.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of May Board Meeting, on a motion by Mr. Burke, seconded by Mr. Dominey, the Board unanimously approved the Minutes of the May 23, 1989 Board Meeting.

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.

Kim Abernethy introduced Mary Rodriguez, a new case manager for Trinity and Houston Counties. Kim also introduced Connie Wood, a case manager for Nacogdoches County, who brought one of her mental health clients to talk to the Board about his experiences with the case management program. Joseph Hawk discussed his progress since working with Connie and the case management program, and expressed his deep appreciation for all the help he has received.

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 May, 1989 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board meeting.

Consideration of Third Quarter Expenditure Report: 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 Third 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 Disposition of Delinquent Accounts Receivable: 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 client accounts which have been inactive for at least six months be written off as uncollectible accounts receivable, and THAT a copy of these accounts be maintained on file in the office of Business Services.

Consideration of Fiscal Audit Compliance Report: The Board heard a Compliance Report from the Executive Director concerning the Fiscal Auditors' recommendations. No Board action was necessary.

Consideration of Purchase of Telephone System for San Augustine MHMR Center: 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 bid from Telephone Repair and Sales, Inc. of Center for a telephone system be accepted, and THAT copies of the bids be maintained on file in the office of Business Services.

Consideration of Purchase and Implementation of Management Information Service System: 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 purchase and implementation of software for the Management Information System at a cost not to exceed \$152,000 be approved; THAT the Executive Director be authorized to sign necessary documents for the purchase and implementation of the software; and THAT copies of all documents pertaining to this project be maintained in the office of the Director, Business Services.

Program Committee - Mr. Ward R. Burke, Chairman

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

RESOLVED, by the Board of Trustees, THAT the applications for appointment to the Professional Staff Organization (PSO) by the individuals on the attached list be approved, and THAT the list be a part of the permanent Minutes of this meeting.

Personnel and Public Education Committee - Reverend Robert Carter, Chairman

Consideration of Deletion of Two Part-time LVN I Positions and Creation of One Full-time LVN I Position at Peavy Switch Recovery Center: On a motion by Dr. Speck, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT two Part-time Licensed Vocational Nurse I Positions, #124 and 125, be deleted, and THAT one Full-time Licensed Vocational Nurse I Position, #323, be created for Peavy Switch Recovery Center, and THAT this action be effective July 1, 1989.

Consideration of Hourly RN Position for Outpatient Clinics: On a motion by Rev. Carter, seconded by Dr. Speck, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT an hourly Registered Nurse (RN) position, #5048, be created for use in the various outpatient clinics and added to the FY 1989 Personal Services Schedule, and THAT this action be effective July 1, 1989.

Consideration of Hourly Secretarial Position for Jasper MHMR Center: On a motion by Mrs. Fuller, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT an hourly Secretarial I position, #5049, be created for Jasper MHMR and added to the FY 1989 Personal Services Schedule, and THAT this action be effective July 1, 1989.

Consideration of Revised Salary Schedule and Classification System: The Board voted unanimously to table this item until the Center's FY 1990 budget is developed.

Consideration of Deletion of CSA III Position and Creation of Child Development Specialist I Position for Cornerstone: On a motion by Rev. Carter, seconded by Dr. Speck, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Position #143, Community Service Aide III, be deleted, and THAT Position #322, Child Development Specialist I, be added to the FY 1989 Personal Services Schedule effective June 1, 1989.

Consideration of Resolution to Amend Profit Sharing Plan and Trust: On a motion by Mrs. Fuller, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed change in the "Employees Profit Sharing Plan and Trust" be approved as submitted, and THAT a copy of the Plan documents be maintained in the Personnel Office.

Consideration of Creation of Evaluator III Position at Peavy Switch Recovery Center: On a motion by Dr. Speck, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of trustees, THAT an Evaluator III position, #324, be created for Peavy Switch Recovery Center and added to the FY 1989 Personal Services Schedule, and THAT this action be effective July 1, 1989.

Consideration of Letter of Agreement Between Deep East Texas MHMR and George Patterson: On a motion by Rev. Carter, seconded by Mrs. Fuller, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Letter of Agreement between Deep East Texas MHMR and George Patterson for part-time evening use of office space at the Nacogdoches MHMR Center be approved as submitted; and THAT a copy of this Letter of Agreement be on file in the office of the Executive Director.

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 July and August was set as follows:

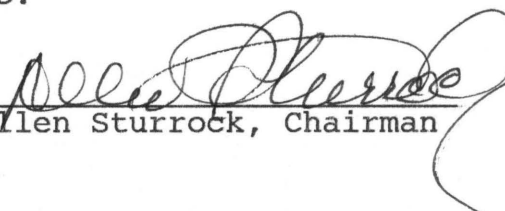
Tuesday, July 25, 1989
Monday, August 28, 1989
Tuesday, August 29, 1989

A special Board Workshop will be held on Monday, August 28th at 6:00 p.m. at the Briars Restaurant in Lufkin to review the

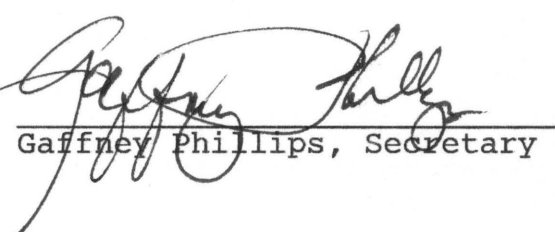
Center's FY 1990 budget. Dinner will be served at 6:00 p.m., and the workshop will begin immediately after.

The Semi-Annual Board Workshop will be held in conjunction with the regular monthly Board Meeting on August 29th at Crown Colony Country Club in Lufkin. The Board Meeting will begin at 9:30 a.m., and the Workshop will follow. Lunch will be from the buffet at Crown Colony. The Workshop should end by 5:00 p.m.

APPROVED:



Judge Allen Sturrock, Chairman



Gaffney Phillips, Secretary

6/27/83

IV. EXECUTIVE DIRECTOR'S REPORT:

1. We are scheduled to appear before the Nacogdoches County Commissioners Court at 10:00 a.m. on July 10th to give an overview of what services are provided by MHMR in Nacogdoches County and regionwide. I plan to attend, along with Sandy Skelton and Susan Rushing. As you recall, Nacogdoches County only budgeted \$12,000 for MHMR for this current year, while we had requested \$17,963. To date, Nacogdoches County has paid us \$6,000. They feel they only owe us another \$6,000 for this year, and we feel that they still owe us \$11,000 for this year. This will need to be discussed again with the Nacogdoches Commissioners. In addition, at that time we need to formally request that they include \$17,963 in their next year's budget for MHMR. Due to the sensitivity of this particular meeting, it will be particularly important for our Board Chairman, Allen Sturrock, and our Nacogdoches County representative, Nancy Speck, to participate. Any other Board members who would like to attend are welcome.
2. A date needs to be set by the Board for our Semi-Annual Board Workshop. There are a variety of important issues facing the Center in which the Board needs to have a thorough understanding of the issues and will need to give staff direction on these issues. Specific areas for discussion include a Centerwide business planning process, a Center name and image change, future plans for competition with the private sector through Outpatient clinics, Pineywoods Hospital, and Peavy Switch Farm. Each of these topics are interrelated and it is important that the Board thoroughly discuss and provide direction on these important topics before the staff proceeds any further in its thinking. The staff suggest a one-day retreat on Wednesday, August 23rd to be held at Crown Colony Country Club. We can get a large meeting room free of charge and the only cost associated would be that we eat their luncheon buffet.
3. A reception organized by Bobbie Morgan was held for Susan Holt on June 21st at the County Courthouse in Jasper. Organizations that we do business with from both Jasper and Newton Counties attended and it is my feeling that Susan was well received and we are headed in a positive direction again in Jasper/Newton Counties.
4. Allison Ash organized an Open House at the Nacogdoches Group Home on June 16th. Nancy Speck began the open house with comments regarding the history and development of the Nacogdoches Group Home. The Open House was well received and the residents enjoyed the opportunity to show off their home.

The contract hearing scheduled by TDMHMR for our Center for July 17th has been cancelled until October or November. The problem is that we will have to begin the new fiscal year without an approved contract from TDMHMR for FY 1990; however, they have assured us that they have no problems with our Center and anticipate renewing the contract.

6. Call on Directors for Reports

Director, Business Services

- a. Local Match Report: Nacogdoches and Sabine Counties are making their payments in installments. All other counties have paid their Local Match pledge in full.
- b. Update on Medicare Negotiations
- c. Call on Tim Richerson to discuss new Employee Recognition Program

Director, Mental Health Services

- a. Discussion regarding Joint Conference Committee Meetings: Two Joint Conference Committee meetings were held on June 15th with Judge Sturrock and Mr. Burke in attendance. The first meeting was in conjunction with Peavy Switch Recovery Center, followed by lunch, and the second meeting related to Pineywoods Hospital. This particular format of having both Joint Conference Committee meetings on the same day was felt to be successful.

- b. Call on Kim Abernethy to introduce three new case managers: Sarah Moya in Tyler and Jasper Counties; Celeste Gilliland in Angelina and Nacogdoches Counties; and Mary Rodriguez in Trinity and Houston Counties.
- c. Field Report: Connie Wood, Case Manager in Nacogdoches, will introduce Joseph Hawk, a mental health case management client.

Director, Mental Retardation Services

- a. East Texas Vocational Network - July 26th: On July 26 and 27, our Center and the Lufkin State School will host a seminar for sheltered workshop staff throughout the East Texas area at the Fredonia Hotel in Nacogdoches. This is the first program of its kind for vocational service personnel in this area.
- b. Update on Highway Department: Analysis of production costs shows that the Center is losing money on contracts for highway litter pick-up with the Highway Department. Staff have reviewed the cost data with Highway Department district maintenance personnel. The Lufkin district office has agreed to increase the per-acre rate to offset our losses. Staff at the Beaumont district office have not responded.
- c. From June 12-16, 55 clients and 11 staff members attended Camp Leander outside of Austin.
- d. Staff for TDMHMR's office of Quality Assurance conducted a Certification visit of foster homes on June 6 and 7 to assess their compliance with the new MR Principles and Standards. This is the first year that TDMHMR has conducted these visits. Several procedural and staff training deficiencies were noted and corrective action has already been implemented. No follow-up visit will be necessary.
- e. The Center is coordinating a public forum on July 13, 1989 from 9:00-11:30 and 6:30 to 8:30 at the Civic Center in Lufkin. The purpose of the forum is to obtain feedback from the public on the draft recommendations for service delivery proposed by the Texas Planning Council for developmental Disabilities.

Director, Quality Assurance Services

- a. Introduce Donna Teafatiller, Director of Staff Development Services
- b. Community Support Conference - July 27th (see attached brochure)

DEEP EAST TEXAS REGIONAL MHMR SERVICES
REVENUE BY FUND
9/1/88 - 5/31/89

SOURCE	ANNUAL BUDGET	Y-T-D REVENUE	Y-T-D BAL REMAINING	Y-T-D OVER (UNDER)	MONTHLY BUDGET	MAY* REV RCPTS	MAY REV RCV'BLE	MAY REVENUE	MAY OVER (UNDER)
ANGELINA COUNTY	29,286	21,975	7,311	11	2,441	2,442	0	2,442	1
HARDIN COUNTY	14,532	10,899	3,633	0	1,211	1,211	0	1,211	0
HOUSTON COUNTY	6,584	4,938	1,646	0	549	549	0	549	0
JASPER COUNTY	11,595	8,696	2,899	0	966	966	0	966	0
NACOGDOCHES COUNTY	12,000	9,000	3,000	0	1,000	0	1,000	1,000	0
NEWTON COUNTY	6,003	2,250	3,753	(2,252)	500	250	0	250	(250)
POLK COUNTY	9,846	7,384	2,462	(1)	821	820	0	820	(1)
SABINE COUNTY	2,838	2,128	710	(1)	237	0	236	236	(1)
SAN AUGUSTINE COUNTY	2,802	2,102	700	1	234	234	0	234	0
SAN JACINTO COUNTY	4,107	3,080	1,027	0	342	342	0	342	0
SHELBY COUNTY	6,400	4,800	1,600	0	533	533	0	533	0
TRINITY COUNTY	5,127	3,845	1,282	0	427	427	0	427	0
TYLER COUNTY	7,609	5,707	1,902	0	634	634	0	634	0
PATIENT/CLIENT FEE RECEIPTS	873,576	608,039	265,537	(47,143)	72,798	91,619	0	91,619	18,821
SENATE BILL 230	15,000	18,735	(3,735)	7,485	1,250	0	2,640	2,640	1,390
COURT COMMITMENTS	22,335	15,525	6,810	(1,226)	1,861	1,755	1,175	2,930	1,069
PINEYWOODS ANNEX	130,000	0	130,000	(97,500)	10,833	0	0	0	(10,833)
FOUNDATION (FARM)	276,412	242,694	33,718	35,385	23,034	7,556	0	7,556	(15,478)
NACOGDOCHES ISD	13,480	12,377	1,103	2,267	1,123	0	1,375	1,375	252
DEBT PROCEEDS	18,500	463,405	(444,905)	449,530	1,542	16,578	0	16,578	15,036
WORKSHOP PRODUCTION	190,644	146,205	44,439	3,222	15,887	17,139	0	17,139	1,252
DONATIONS	3,795	313,498	(309,703)	310,652	316	(3,488)	0	(3,488)	(3,804)
INTEREST INCOME	57,718	89,951	(32,233)	46,663	4,810	22,777	0	22,777	17,967
RAILROAD RETIREMENT BENEFITS	4,500	3,140	1,360	(235)	375	352	0	352	(23)
SOCIAL SECURITY BENEFITS	31,506	33,969	(2,463)	10,340	2,626	6,558	0	6,558	3,932
SSI BENEFITS	93,868	40,515	53,353	(29,886)	7,822	4,792	0	4,792	(3,030)
MISCELLANEOUS	840	21,387	(20,547)	20,757	70	5,101	15	5,116	5,046
HARDIN REIMBURSEMENT	6,480	6,480	0	1,620	540	0	0	0	(540)
FARM INCOME	5,000	297	4,703	(3,453)	417	0	0	0	(417)
KITCHEN REVENUE	5,061	5,385	(324)	1,589	422	510	0	510	88
VOCATIONAL SERVICES	9,950	8,205	1,745	743	829	0	677	677	(152)
ICF-MR	665,788	512,361	153,427	13,020	55,482	(10,798)	92,089	81,291	25,809
TRC	23,445	14,483	8,962	(3,101)	1,954	(80)	1,482	1,402	(552)
STATE HIGHWAY DEPT.	542,148	364,510	177,638	(42,101)	45,179	548	56,470	57,018	11,839
PROTECTIVE SERVICES	11,000	7,182	3,818	(1,068)	917	(706)	0	(706)	(1,623)
PROTECTIVE SERVICES-IN HOME	142,174	96,509	45,665	(10,122)	11,848	(442)	10,500	10,058	(1,790)
HCS	480,292	361,872	118,420	1,653	40,024	1,881	44,635	46,516	6,492
CAMP LEANDER	0	1,050	(1,050)	1,050	0	1,050	0	1,050	1,050
GENERAL REVENUE	2,280,093	1,719,442	560,651	9,372	190,008	186,884	0	186,884	(3,124)
RAJ	984,826	748,359	236,467	9,740	82,069	19,287	78,000	97,287	15,218
LELSZ	1,268,121	903,173	364,948	(47,918)	105,677	57,759	0	57,759	(47,918)
TCADA	312,392	254,497	57,895	20,203	26,033	0	37,300	37,300	11,267
ECI, SENATE BILL 630	416,497	280,282	136,215	(32,091)	34,708	0	33,265	33,265	(1,443)
DHS - ADULT DAY CARE	33,242	27,839	5,403	2,908	2,770	(136)	3,977	3,841	1,071
DHS - CHILD DAY CARE	222,576	165,248	57,328	(1,684)	18,548	20	18,888	18,908	360
SVETP	31,000	0	31,000	(23,250)	2,583	0	0	0	(2,583)
PROBATION DEPT.	3,000	15,400	(12,400)	13,150	250	15,400	0	15,400	15,150
JTPA	5,000	2,206	2,794	(1,544)	417	0	0	0	(417)
MENTAL HEALTH BLOCK GRANT	474,009	355,509	118,500	2	39,501	39,501	0	39,501	0
USDA	28,764	25,870	2,894	4,297	2,397	0	3,557	3,557	1,160
DHS - LIASON	154,498	122,753	31,745	6,880	12,875	0	13,574	13,574	699
CHAPTER I	31,164	11,048	20,116	(12,325)	2,597	1,392	0	1,392	(1,205)
CHAPTER I CARRYOVER	34,964	30,026	4,938	3,803	2,914	296	3,334	3,630	716
TOTAL	10,022,387	8,136,230	1,886,157	619,442	835,201	491,513	404,189	895,702	60,501

*NEGATIVE AMOUNTS REPRESENT PRIOR MONTHS' CORRECTIONS FLOWING THROUGH THE CURRENT MONTH.

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/88 - 5/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	MAY EXP & ENC	MAY OVER(UNDER)
SALARIES	5,301,929	3,800,724	1,501,205	(175,723)	441,827	434,081	(7,746)
MERIT, LONGEVITY, BONUS, ETC.	12,236	7,500	4,736	(1,677)	1,020	833	(187)
FRINGE BENEFITS	816,945	630,961	185,984	18,252	68,079	63,906	(4,173)
CONSULTANTS & PROFESSIONALS	91,109	48,242	42,867	(20,090)	7,592	5,502	(2,090)
TRAVEL	198,071	146,851	51,220	(1,702)	16,506	15,351	(1,155)
DRUGS	24,806	26,741	(1,935)	8,137	2,067	4,023	1,956
FOOD	170,417	123,306	47,111	(4,507)	14,201	22,883	8,682
SUPPLIES	239,721	206,157	33,564	26,366	19,977	24,776	4,799
FARM OPERATION SUPPLIES	7,000	5,684	1,316	434	583	414	(169)
DEBT PRINCIPAL RETIREMENT	175,518	86,084	89,434	(45,555)	14,627	12,727	(1,900)
EQUIPMENT & FURNITURE	95,481	57,473	38,008	(14,138)	7,957	(1,449)	(9,406)
EQUIPMENT & FURNITURE RENTAL	36,405	24,107	12,298	(3,197)	3,034	3,845	811
EQUIP/FURN REPAIRS/MAINT	31,555	20,261	11,294	(3,405)	2,630	2,597	(33)
BUILDING RENT	245,607	183,843	61,764	(362)	20,467	19,593	(874)
BLDG REMODELING/RENOVATION	45,375	69,792	(24,417)	35,761	3,781	622	(3,159)
BLDG REPAIR & MAINTENANCE	43,600	42,681	919	9,981	3,633	4,242	609
VEHICLE PURCHASED	18,500	81,328	(62,828)	67,453	1,542	25,949	24,407
VEHICLE LEASE	4,920	3,690	1,230	0	410	410	0
VEHICLE OPERATION/MAINT	149,823	110,144	39,679	(2,223)	12,485	15,600	3,115
CONTRACTS W/SERVICE AGENCIES	855,789	669,735	186,054	27,893	71,316	75,078	3,762
POSTAGE	22,193	17,905	4,288	1,260	1,849	2,367	518
LAB EXPENSE	4,875	2,902	1,973	(754)	406	627	221
TELEPHONE	139,320	92,800	46,520	(11,690)	11,610	12,212	602
ANNUAL AUDIT	9,400	7,425	1,975	375	783	825	42
LEGAL FEES	0	9,441	(9,441)	9,441	0	1,434	1,434
INSURANCE	115,652	67,425	48,227	(19,314)	9,638	6,312	(3,326)
CLIENT WAGES/FRINGE	383,120	239,248	143,872	(48,092)	31,927	31,097	(830)
UTILITIES	196,524	124,590	71,934	(22,803)	16,377	13,082	(3,295)
EMOLUMENT	2,100	1,575	525	0	175	175	0
MISCELLANEOUS	147,563	150,478	(2,915)	39,806	12,297	9,327	(2,970)
BOND ISSUE EXPENSE	0	0	0	0	0	0	0
SSI BENEFITS - FOSTER PARENTS	28,164	13,298	14,866	(7,825)	2,347	1,591	(756)
SS BENEFITS - FOSTER PARENTS	20,787	18,571	2,216	2,981	1,732	2,413	681
RR BENEFITS - FOSTER PARENTS	3,600	2,700	900	0	300	300	0
FOSTER CARE SUPPLEMENT	0	3,024	(3,024)	3,024	0	332	332
INTEREST EXPENSE	24,124	45,101	(20,977)	27,008	2,010	6,822	4,812
COURT COMMITMENT EXPENSE	22,335	14,972	7,363	(1,779)	1,861	2,031	170
CLIENT ACTIVITY	10,993	1,904	9,089	(6,341)	916	422	(494)
MARKETING	39,000	15,937	23,063	(13,313)	3,250	1,595	(1,655)
CONSTRUCTION EXPENSE	1,000	0	1,000	(750)	83	0	(83)
CAPITAL BUILDING EXPENSE	146,736	700,301	(553,565)	590,249	12,228	0	(12,228)
CONTINGENCY - PRIOR YEARS	77,094	77,094	0	19,274	6,425	0	(6,425)
CONTINGENCY - 1989	63,000	42,000	21,000	(5,250)	5,250	7,000	1,750
CONTINGENCY - INT INCOME	0	14,323	(14,323)	14,323	0	1,997	1,997
CASH SHORT & OVER	0	139	(139)	139	0	0	0
TOTAL	10,022,387	8,008,457	2,013,930	491,667	835,199	832,944	(2,255)

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/88 - 5/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER (UNDER)	MONTHLY BUDGET	MAY EXP & ENC	MAY OVER (UNDER)
MENTAL HEALTH:							
RESIDENTIAL	2,480,878	1,800,098	680,780	(60,561)	206,740	205,890	(850)
CLIENT & FAMILY SUPPORT	1,280,502	1,637,879	(357,377)	677,503	106,709	100,528	(6,181)
CASE MANAGEMENT	324,337	247,701	76,636	4,448	27,028	23,701	(3,327)
MH SUBTOTAL	4,085,717	3,685,678	400,039	621,390	340,476	330,119	(10,357)
MENTAL RETARDATION:							
RESIDENTIAL	1,593,990	1,277,401	316,589	81,909	132,833	157,079	24,247
CLIENT & FAMILY SUPPORT	3,127,872	2,258,199	869,673	(87,705)	260,656	280,856	20,200
CASE MANAGEMENT	89,677	70,133	19,544	2,875	7,473	10,040	2,567
MR SUBTOTAL	4,811,539	3,605,733	1,205,806	(2,921)	400,962	447,975	47,013
MANAGEMENT & SUPPORT	1,125,131	811,572	313,559	(32,276)	93,761	81,749	(12,012)
FACILITY TOTAL	10,022,387	8,102,983	1,919,404	586,193	835,199	859,843	24,644
LESS TRANSACTIONS BETWEEN UNITS	0	(94,526)	94,526	(94,526)	0	(26,899)	(26,899)
TOTAL EXPENSE	10,022,387	8,008,457	2,013,930	491,667	835,199	832,944	(2,255)

DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
9/1/88 - 5/31/89

	MAY	Y-T-D
	-----	-----
REVENUE	895,702	8,136,230
EXPENDITURES & ENCUMBRANCES	(832,944)	(8,008,457)
DIFFERENCE	62,758	127,773
	=====	=====

ANALYSIS OF DEFERRED REVENUE:

BOND ISSUE	304,155
HCS	53,474
MEDICARE PART A OVERPAYMENTS	46,435
TEMPLE FOUNDATION GRANT	565,965
GENERAL REVENUE	104,631
PINEYWOODS ANNEX	128,008
COUNTY REVENUE	17,900
LELS2	132,165
RETIREMENT FUNDS	641
CHAPTER I	1,351
CHAPTER I CARRYOVER	0
DONATIONS	5,068

TOTAL DEFERRED REVENUE	1,359,793
	=====

ANALYSIS OF RESTRICTED INTEREST INCOME:

RESERVE OPERATING FUND	3,636
PENSION	2,055
BUILDING FUND	11
CONTINGENCY CD'S	14,323

TOTAL RESTRICTED INTEREST INCOME	20,025
	=====

DEEP EAST TEXAS REGIONAL MHMR SERVICES
BALANCE SHEET
MAY 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
ASSETS:			
Unrestricted Cash-General	234,635		
Restricted Cash:			
Cash from Bond Issue	238,655		
Int & Sinking Cash - Bonds	65,500		
Trust Funds - Clients	5,130		
Pension Funds	91,998		
Hardin Building Fund	8,493		
Foundation Grant	575,724		
Reserve Operating Funds	502,067		
Pineywoods Annex	129,714	1,617,281	
Total Cash in Bank	1,851,916		1,851,916
Petty Cash	1,235		1,235
Change Fund	290		290
Accts Receivable-Client Fees	672,581		
Less: Allowance for Uncollectible Accounts	(210,400)	462,181	462,181
Accounts Receivable - Other	725,747		725,747
Accts Rec/Internal Advances	0		0
Prepaid Expenses	19,927		19,927
Supply Inventory	109,291		109,291
Amount to be Provided under:			
Long Term Agreements	985,192		985,192
Accrued Vacation	196,293		196,293
General Fixed Assets (at Cost):			
Equipment & Furniture		665,338	665,338
Vehicles		723,557	723,557
Building		2,557,822	2,557,822
Leasehold Improvements		7,892	7,892
Land		82,315	82,315
TOTAL ASSETS	4,352,072	4,036,924	8,388,996
LIABILITIES & FUND EQUITY			
Liabilities:			
Accounts Payable/Internal Advance	0		0
Accounts Payable	139,883		139,883
Employee Insurance Payable	0		0
Retirement Payable	91,748		91,748
Miscellaneous Payroll Deductions	471		471
Unemployment Tax Payable	5,095		5,095
Sales Tax Payable	436		436
Cafeteria Plan Payable	0		0
Deferred Revenue	1,359,793		1,359,793
Obligation under:			
Long-Term Agreements	985,192		985,192
Accrued Vacation	196,293		196,293
Trust Fund Payable	5,130		5,130
Contingency Fund	345,265		345,265
Total Liabilities	3,129,306	0	3,129,306
Fund Equity:			
Investment in Fixed Assets		4,036,924	4,036,924
Fund Balances:			
Reserved for Hardin Building	8,229		8,229
Reserved for Encumbrances	31,246		31,246
Unreserved	1,183,291		1,183,291
Total Fund Equity	1,222,766	4,036,924	5,259,690
TOTAL LIABILITIES & FUND EQUITY	4,352,072	4,036,924	8,388,996

DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN UNRESTRICTED FUND BALANCE AND FIXED ASSETS
AS OF MAY 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
BALANCE - 4/30/89	1,134,143	4,011,658	5,145,801
REVENUE	895,702	0	895,702
EXPENDITURES	(832,944)	0	(832,944)
PRIOR YEAR CLIENT FEE ADJUSTMENTS	0	0	0
ADDITIONS TO FIXED ASSETS	0	29,127	29,127
DELETIONS OF FIXED ASSETS	0	(3,861)	(3,861)
CONVERSION OF CLIENT FEES FROM CASH BASIS TO ACCRUAL:			
CURRENT MONTH'S CASH RECEIPTS	(91,619)	0	(91,619)
CURRENT MONTH'S NET CHARGES	78,009	0	78,009
BALANCE - 5/31/89	1,183,291	4,036,924	5,220,215

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

BALANCE @ 5/31/89

0
=====

DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
MAY 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
NCNB Texas Nat'l, Lufkin:	General Funds	MM Checking	68,574		
	Payroll	MM Checking	100		
	Employee Medical Plan	MM Checking	1,524		
	Foundation	MM Checking	2,421		
	Pineywoods Annex	MM Checking	1,515		
	Clients' Trust Fund	MM Checking	5,130		
	Reserve Operating	2 CD's	35,756		1,100,000
	Bond Issue	Inv by Tx Council	238,655		238,655
	Bond Issue	Int & Sinking	65,500	100,000	65,500
Total for NCNB Texas Nat'l			419,175	100,000	1,404,155
Lovelady State Bank:	Chapter I	Checking	1,351		
	Pension	MM Checking	91,998	93,349	100,000
Total for Lovelady State Bank			93,349	93,349	100,000
Diboll State Bank:	Lelsz	MM Checking	9,176		
	Lelsz	1 CD	50,000		
	Reserve Operating	1 CD	44,217	100,000	500,000
Total for Diboll State Bank			103,393	100,000	500,000
First Nat'l Bank, San Augustine	Reserve Operating	1 CD	9,428	9,428	0
Commercial Nat'l Bank, Nacogdoches	Reserve Operating	1 CD	19,274	19,274	0
First Nat'l Bank, Livingston	Reserve Operating	1 CD	24,139	24,139	0
First Nat'l Bank, Newton	Reserve Funds - PRTC	1 CD	5,000	5,000	0
First Nat'l Bank, Silsbee	Hardin Building Fund	1 CD	8,493	8,493	0
Lufkin Federal Savings & Loan	Pineywoods Annex	1 CD	0	0	0
First Nat'l Bank, Woodville	Reserve Operating	1 CD	6,580	6,580	0
Crockett State Bank	Reserve Operating	1 CD	13,302	13,302	0
Citizens State Bank, Center	Reserve Funds - PRTC	1 CD	14,763	14,763	0
First State Bank, Hemphill	Reserve Funds - PRTC	1 CD	9,210	9,210	0
First Nat'l Bank, Jasper	Reserve Funds - PRTC	1 CD	9,210	9,210	0
Bank of San Jacinto, Coldspring	Foundation	1 CD	7,000	7,000	0
Sub-total			742,316	419,748	2,004,155

DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
MAY 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
Sub-total from page 1			742,316	419,748	2,004,155
United States Government:	Lelsz	Treasury Funds	72,989		72,989
	Reserve Funds - PRTC	Treasury Funds	243,926		243,926
	Foundation	Treasury Funds	566,303		566,303
	Pineywoods Annex	Treasury Funds	128,199		128,199
	General Operating	Treasury Funds	30,921		30,921
	Reserve Operating	Treasury Bills	67,262		67,262
Total for United States Government Securities			1,109,600	0	1,036,611
Total of All Cash in Bank			1,851,916	419,748	3,040,766

NOMINEES TO PROFESSIONAL STAFF ORGANIZATION

June 27, 1989

Board Meeting

<u>Applicant</u>	<u>Discipline</u>
1. Gary Wilson, LPT Park Avenue Physical Therapy Ctr. (Consultant)	Rehabilitation Staff
2. Brenda Howell, OTR (Consultant)	Rehabilitation Staff
3. Gilbert Hanke Speech & Language Svcs. of East Texas (Consultant)	Rehabilitation Staff
4. Shaffer Hearing & Speech Center (Consultant)	Rehabilitation Staff
5. Nacogdoches Treatment Center (Consultant)	Rehabilitation Staff
6. Wilson McKewen Rehabilitation Center (Consultant)	Rehabilitation Staff

LETTER OF AGREEMENT

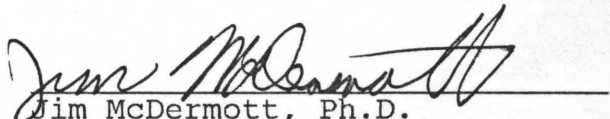
This is a Letter of Agreement between George Patterson and Deep East Texas Regional MHMR Services, whereby Mr. Patterson agrees to pay MHMR \$5.00 per month for limited use of an office at the Nacogdoches MHMR Center. The office will be used only in the evenings to see private clients for counseling.

Mr. Patterson agrees to use the office no more than five hours per week, will not compete with MHMR for clients, while in the building will not use MHMR equipment, supplies, or staff time, and agrees to secure the building when he leaves.

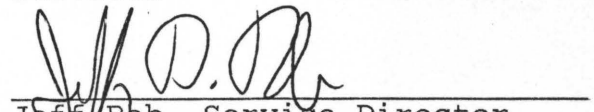
In the event MHMR has need for the office space used by Mr. Patterson at any time, Mr. Patterson agrees to make other arrangements for office space.

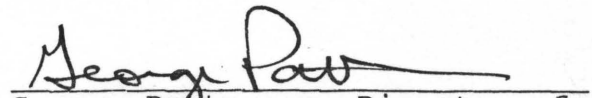
This Agreement will remain in effect as long as it is agreeable to the Service Director at the Nacogdoches MHMR Center, and as long as Mr. Patterson continues his employment with Deep East Texas Regional MHMR Services.

DATED this 27th day of June, 1989.


Jim McDermott, Ph.D.
Executive Director


Judge Allen Sturrock, Chairman
Deep East Texas Regional MHMR
Services


Jeff Rab, Service Director
Nacogdoches MHMR Center


George Patterson, Director of
Quality Assurance and Staff
Development

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: Jim McDermott, Ph.D.
Executive Director

FROM: George Patterson, Director
Quality Assurance Services *GP*

DATE: May 25, 1989

SUBJECT: Use of Center facility for private practice

Pursuant to our discussion of Board and staff ethical guidelines at the May 24, 1989 ASC meeting, I am writing this memo to remind you of my private counseling practice and seek clarification with regard to the new guidelines. I am presently using an office at the Nacogdoches MHMR Center one or two nights per week for a one hour period each to see private clients. I do not accept referrals from MHMR staff, do not advertise, do not imply or promote any affiliation between my practice and MHMR, and see clients only in the late evening hours when no MHMR staff or clients are in the facility. As we have discussed before, I am certainly willing to reimburse the Center for any expense incurred by the Center in the course of this work. The only cost to the Center is the electricity consumed in the office I use while in the building. I use no equipment, facilities, staff, or supplies which belong to MHMR.

I will be glad to discuss this matter with you and/or the Board at your convenience.

GP:wb

Resolutions of the Board of Deep East Texas Regional
Mental Health Mental Retardation Services

WHEREAS, it appears to be Board of Directors of Deep East Texas Texas Regional Mental Health Mental Retardation Services to be in the best interest of the Corporation and the employees to amend and restate its existing Profit Sharing plan,

NOW THEREFORE BE IT RESOLVED:

That the Corporation amend and restate the retirement plan for its employees entitled

" Deep East Texas Regional Mental Health Mental Retardation Service Profit Sharing Plan and Trust by executing the EQUITABLE Non-Standardized PROTOTYPE PLAN AND TRUST - IRS Serial Number C328282a with an approval date of 10/02/86 (herein called the "PLAN"), sponsored by The Equitable Life Assurance Society of the United States, in all respects approved and adopted, effective as set forth in the Adoption Agreement to the Plan;

That the officers of the Corporation hereby are authorized, directed and empowered to execute and implement the Plan;

That Ward Burke, James McDermott, are appointed and empowered to act as Trustees of the Plan;

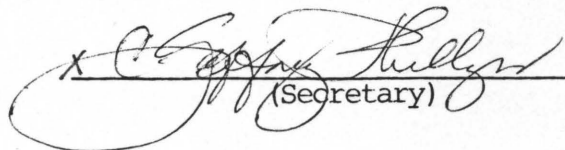
That all transactions on behalf of the Corporation with the Trustees or any other party are hereby ratified, confirmed and approved; and that the Trustees and any other party may rely upon the authority conferred by these resolutions until receipt by the Trustees and any other party of a certified copy of a resolution of the Board of Directors of the Corporation revoking or modifying the same.

I, _____ Secretary of

Deep East Texas Regional Mental Health Mental Retardation Services

do hereby certify that the foregoing is a true account of resolutions adopted at a meeting of the Board of Directors of the Corporation, held on the 27th day of June, 1989, at which a quorum was present, and such resolutions shall remain in full force and effect at the date hereof without modification.

Witness my hand and seal of said Corporation this 27th day of June, 1989.


(Secretary)

[Corporate Seal]

**ADOPTION AGREEMENT AMENDMENT
TO
THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES
STANDARDIZED AND NON-STANDARDIZED
PROTOTYPE PROFIT SHARING PLANS**

(IRS Serial Nos. C228281a & C328282a)

PLAN NAME Deep East Texas Regional Mental Health Mental Retardation Services
EMPLOYER CONTRIBUTIONS IN PROFIT SHARING PLAN Employees' Profit Sharing Plan
(check the option below if you wish it to apply to your plan) and Trust

☐ Effective for Plan Years beginning on or after

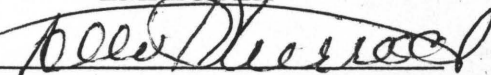
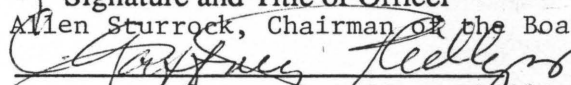
_____, *, notwithstanding any other provision

month day year
of the plan, the employer contributions shall be made to the plan without regard to
current or accumulated earnings and profits for the taxable year or years ending with
or within such Plan Year.

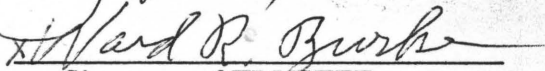
IN WITNESS WHEREOF, the Employer and Trustee hereby cause this Agreement to be
executed at Lufkin, Texas, this 27th day of June, 1989.

Deep East Texas Regional Mental Health
Mental Retardation Services

EMPLOYER

By 
Signature and Title of Officer
Allen Sturrock, Chairman of the Board

Secretary Gaffney Phillips

Ward Burke
Print Name of TRUSTEE


Signature of TRUSTEE

Bobbie Morgan
Print Name of TRUSTEE


Signature of TRUSTEE

Charles English
Print Name of TRUSTEE


Signature of TRUSTEE

Deep East Texas Regional MHMR Services
PARTICIPATING EMPLOYER

By 
Signature and Title of Officer
Jim McDermott, Ph.D., Executive Director

* Fill in the first day of the Plan Year in which this Adoption Agreement Amendment is
executed or a subsequent anniversary of such date.

The Cammack Company

Incorporated

1100 Judson Road, Suite 630, P.O. Box 2589, Longview, Texas 75606 (214) 758-1671

May 26, 1989

Mr. Jim McDermott, Trustee
Deep East Texas Regional MHMRS
4101 S. Medford Dr.
Lufkin, Texas 75901

RE: Adoption of Plan Amendment for all Equitable Prototype Retirement Plans

Dear Employer:

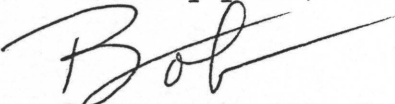
As new laws are adopted which affect your retirement plan, it becomes necessary for us from time to time to make amendments to your plan to comply with these new laws. One of the great advantages of investing your money with the Equitable is that they continue to support your plan document by providing us with the amendments that are necessary because of changes in the law. Our service to you is to make sure that these amendments are adopted as necessary.

You are well aware that the Tax Reform Act of 1986 made substantial changes in the laws affecting your retirement plan. Since these changes were somewhat complex, on December 27, 1988, the IRS issued Notice 88-131. The purpose of this notice was to give relief to retirement plans sponsors to "provide sufficient time for employers and their advisors to study new regulations..." The complexity of these laws has also delayed the time that we would normally receive approval for the changes in the Equitable Prototype Plans.

The IRS will not allow Equitable to file the amendments for our prototypes until October, 1989, therefore the approvals for these amendments will not be received until some time in 1990. Although this is the case, you as a plan sponsor must adopt the enclosed Model Amendment I which makes the necessary interim amendments to your plan.

Therefore, please execute the enclosed corporate resolution, if applicable and the adoption agreement and return the originals to us so that we can make copies for our files and update your plan. I have enclosed a return envelope for your convenience. If you have any questions, please do not hesitate to call.

Sincerely yours,



Bob Cammack, CLU, ChFC

BC/rm
Enclosures

CC: Tim Richerson
Betty Gardemal