

MINUTES

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

MAY 10, 1990

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mr. Dan Dominey, Vice Chairman
Judge Charles English, Treasurer
Mr. Ward R. Burke
Nancy Speck, Ph.D.
Mrs. Bobbie Morgan

BOARD MEMBERS ABSENT:

Gaffney Phillips, Secretary
Reverend Robert Carter

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. George Patterson	MHMR
Mr. Larry Welker	MHMR
Mrs. Sandy Vann	MHMR
Mr. Joe McCulley	MHMR
Mr. Wayne Haglund	Attorney
Mr. Steve Bartlett	Engineer

The 213th meeting of the Board of Trustees was held in the Ward R. Burke Community Room of the Central Administration Facility, 4101 South Medford Drive in Lufkin, on Thursday, May 10, 1990.

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 welcomed Mr. Wayne Haglund, the Center's Attorney, and Mr. Steve Bartlett of East Texas Engineering and Surveying, who were in attendance.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the April Board Meeting, on a motion by Mr. Burke, seconded by Judge English, the Board unanimously approved the Minutes of the April 17, 1990 Board Meeting.

Consideration of Legal Matters:

The meeting was called into Executive Session to consider legal matters brought before the Board by the Executive Director according to Article 6252-17, Section 2(e) of the Open Meetings Law for the purpose of consultation with legal counsel with regard to potential litigation. The Chairman excused guests from the meeting room at 4:09 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 5:54 P.M. and asked Board consideration of the following:

Consideration of Acceptance of Bids for Asbestos Abatement Project at Alpha House: On a motion by Mr. Burke, seconded by Mrs. Morgan, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from Chaparral Abatement, Inc. in the amount of \$11,734.00 for asbestos abatement and disposal at 1015 Moore Avenue in Lufkin, Texas, and other related services in accordance with the plans and specifications prepared by East Texas Engineering and Surveying, Inc., be and is hereby accepted; THAT Jim McDermott, Ph.D., Chief Executive officer, be and he is hereby authorized to negotiate, approve the form for, and execute a contract in the name and on behalf of Deep East Texas Regional Mental Health Mental Retardation Services, in a form acceptable to the administration and legal counsel for the Board; THAT the plans and specifications, the invitation to bid, the bid packets provided to contractors, all bids received, the final contract as signed by the parties, and this resolution, shall be maintained in permanent file for this transaction in the office of Business Services; and THAT no such contract for the performance of any work shall be valid and binding on the Center unless and until such documents have been signed by the authorized representative of the Board as set forth herein.

Consideration of Acceptance of Bids for Renovation of Alpha House: On a motion by Mrs. Morgan, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid of L. Richardson and Sons, Inc. in the

amount of \$233,774 for the renovation of the Alpha House Residential Care Unit building at 1015 Moore Avenue in Lufkin, Texas, and other related services in accordance with the plans and specifications prepared by Marsellos and Scott, Architects and Engineers, be and is hereby accepted; THAT Jim McDermott, Ph.D., Chief Executive Officer, be and he is hereby authorized, to negotiate, approve the form for, and execute a contract, in the name and on behalf of Deep East Texas Regional Mental Health Mental Retardation Services, in a form acceptable to the administration; THAT the plans and specifications, the invitation to bid, the bid packets provided to contractors, all bids received, the final contract as signed by the parties, and this resolution shall be maintained in a permanent file for this transaction in the office of Business Services; THAT no such contract for the performance of any work shall be valid and binding on the Center unless and until such documents have been signed by the authorized representative of the Board as set forth herein; THAT Allen Sturrock, Chairman of the Board of Trustees, be and he is hereby authorized to sign a covenant agreement in the name and on behalf of Deep East Texas Regional Mental Health Mental Retardation Services, in a form acceptable to the U.S. Department of Housing and Urban Development, and THAT the covenant agreement be filed and recorded in the official public land records of Angelina County and constitute a restriction upon the use of the property at 1015 Moore Avenue as a transitional housing project for a period of 10 years beginning the first day of occupancy by clients.

Joe McCulley explained that the attached Covenant Agreement says that in exchange for us getting the \$100,000 grant from HUD, we promise to use the property for ten years as a residential facility for the homeless mentally ill. The facility sits on four city lots, but in accordance with the Covenant Agreement, we are only obligated to using two of the lots - numbers 15 and 16 - for the housing facility.

Consideration of the Hiring of an Accounting Firm for FY 1990 - FY 1992 Annual Fiscal Audits: On a motion by Dr. Speck, seconded by Mr. Dominey, the Board unanimously approved the following revised resolution:

RESOLVED, by the Board of Trustees, THAT the accounting firm of Axley & Rode be the CPA firm of choice for interview, and THAT Mr. Ward Burke and Judge Allen Sturrock meet with them to review specifications of the audit and negotiate terms for those specifications.

CHIEF EXECUTIVE OFFICER'S REPORT:

1. Call on Directors for Reports

Chief Operating Officer

- A. Susan Rushing and Larry Welker updated the Board on the Groveton Pallet Company. Susan reported that the Pallet Company is losing money because Nacogdoches Pallet and Speciality Company did not have the market for the pallets as they had anticipated. Therefore, company sales are down and it is operating at a loss of \$56,488. Susan explained that if we changed the operation from selling only pallets to building small crates and pallets, we could probably end the year with a profit. To change to this type of operation, we would need to purchase a truck, trailer, and forklift at an approximate cost of \$34,500. We would then cut our own lumber rather than purchase pre-cut, expensive lumber. Susan reviewed the pros and cons of changing the business, as well as her projections for the new business with low, medium, and high volume sales (see attached sheets). Susan was asked by the Board to prepare a document for their discussion at the May 29th meeting.

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 May and June was set as follows:

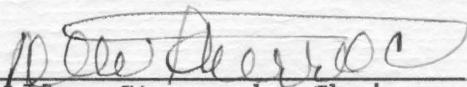
Tuesday, May 29, 1990
Tuesday, June 26, 1990

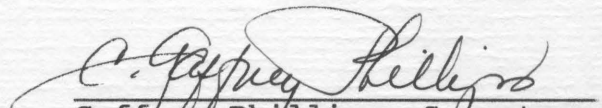
Board members agreed that the May 29th meeting should begin at 3:00 P.M. in order to allow time for discussion of several issues that Dr. McDermott wants to review with them before he leaves.

On Tuesday, June 5th, members of the Board Executive Director Search Committee will meet in Nacogdoches from 9:30 A.M. until 4:00 P.M. to screen applications and approve interview questions.

On Monday, June 18th, Board members will interview the final applicants for the Executive Director position. Interviews will begin at 9:00 A.M. and will last until approximately 5:00 P.M. Interviewing will be conducted at Central Administration in the Ward R. Burke Community Room.

APPROVED:


Judge Allen Sturrock, Chairman


Gaffney Phillips, Secretary

APRIL 24, 1990

BID TABULATION

CONTRACTOR			TIMBERLINE	RICHARDSON	MOORE BROS.	PINEYWOODS	
BID SEC	CER. CHECK						
	BID BOND		yes	yes		yes	
ADDENDA	NO. 1. 3/28/90		yes	yes		yes	
	NO. 2. 4/5/90		yes	yes		yes	
BASE BID			271,800	267,968		274,900	
ALTERNATE	NO. 1: Omit						
	NO. 2: Storage Bldg.		+6,000	+4,386		+5,340	
	NO. 3: Patio		+500	+1,248		+1,705	
	NO. 4: Mohawk carpet		+700	-0-		-0-	
	NO. 5: Shingles		+7,100	+7,616		+7,200	
	NO. 6: Fire alarm. etc.		+33,600	+30,700		+34,090	
TIME			250 days	200 days		none stated	

ALPHA HOUSE
RESIDENTIAL CARE UNIT
DEEP EAST TEXAS REGIONAL MNR

404 PERRY BLDG., LUFKIN, TX 75901

DEEP EAST TEXAS REGIONAL MHMR SERVICES
Alpha House Residential Care Unit

Alpha House
Residential Care Unit
Deep East Texas Regional MHMR
Lufkin, Texas

Reprice Structure

Base Proposal	\$267,968.00
Adjustments in Subcontractor Pricing	- 10,081.00
Omit Patio	- 4,000.00
Metal Toilet Compartments	- 250.00
Plumbing	- 5,384.00
Air Conditioning	- 15,058.00
Omit Air Filter	- 1,000.00
Electrical	- <u>3,900.00</u>
 SUBTOTAL	 \$228,295.00
 ADD:	
Alternate No. 4	+ 0.00
Alternate No. 5	+ <u>5,479.00</u>
TOTAL	\$233,774.00

DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL
RETARDATION SERVICES
Alpha House Residential Care Unit

TRANSITIONAL HOUSING COVENANT AGREEMENT

This Transitional Housing Grant Covenant Agreement (Covenant Agreement) is a part of the consideration for the grant assistance made by the U.S. Department of Housing and Urban Development (HUD) to Deep East Texas Regional Mental Health Mental Retardation Services (Recipient/Owner), pursuant to a Grant Agreement between the Recipient and HUD dated July 11, 1989, to be used for the transitional housing project located at 1015 Moore Avenue, Lufkin, Angelina County, Texas (Project Address), as further described in the property description attached hereto and fully incorporated herein by reference.

This Covenant Agreement will be filed and recorded in the official public land records of Angelina County and shall constitute a restriction upon the use of the property described herein, subject to and in accordance with the terms of this Covenant Agreement.

The covenants contained herein are to be taken and constructed as covenants running with the land and shall pass to and be binding upon the Recipient/Owner, his successors and assigns, heirs, grantees, or lessees to the property described herein, beginning on the date of initial occupancy. Each and every contract, deed or other instrument covering or conveying the property described herein, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants regardless of whether such covenants are set forth in such contract, deed, or other instruments.

NOW, THEREFORE, it is hereby covenanted as follows:

1. The Project will be operated as transitional housing in accordance with the rules and regulations contained in 24 CFR 840.
2. The Recipient/Owner shall conduct ongoing assessments of the supportive services required by the residents of the project.
3. The Recipient/Owner shall provide residential supervision as HUD determines is necessary to facilitate the adequate provision of supportive services to the residents of the housing. Such residential supervision may include the employment of a full or part-time residential supervisor with sufficient knowledge to provide or to supervise the provision of supportive services to the residents of the transitional housing.
4. The Recipient/Owner will operate the Project as transitional housing, in accordance with the grant agreement between the Recipient

and HUD, for not less than ten years following the date of initial occupancy of the project with transitional housing clients.

5. The Recipient/Owner will provide safe and sanitary housing, and will comply with all state and local housing codes, licensing requirements, and other requirements regarding the condition of the structure and the operation of the transitional housing in the jurisdiction in which the housing is located, except that no State or local law, ordinance or regulation shall have any force or effect to the extent that it prohibits or has the effect of prohibiting the Recipient/Owner from discharging residents from transitional housing at the end of the HUD approved limit on the resident's stay.

6. The Recipient/Owner will keep any records and make any reports HUD may require. HUD may require the Recipient/Owner to monitor former residents, for a reasonable time set by HUD, to determine whether former residents made successful transitions to and continue to reside in permanent housing.

7. DEFAULT: If a violation of any of the foregoing covenant occurs, and such occurrence or attempt remains uncorrected for a period of thirty (30) days or more after the Recipient/Owner's receipt of written notice of such violation from HUD, HUD may institute and prosecute any proceeding at law or equity to abate, prevent, or enjoin any such violation or to compel specific performance by the Recipient/Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

IN WITNESS HEREOF, the party hereto has executed this Covenant Agreement on May 10, 1990.

WITNESS:

Allen Sturrock, Chairman
Board of Trustees

Sworn to and subscribed before me this the ____ day of _____,
19 ____.

NOTARY PUBLIC IN AND FOR
ANGELINA COUNTY, TEXAS
MY COMMISSION EXPIRES: _____

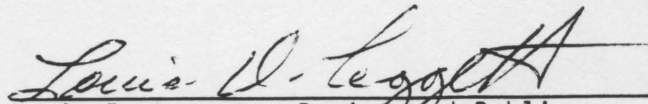
ATTACHMENT TO TRANSITIONAL HOUSING
COVENANT AGREEMENT
ALPHA HOUSE RESIDENTIAL CARE UNIT

LEGAL DESCRIPTION

BEING all that certain tract or parcel of land lying and situated in the City of Lufkin, Angelina County, Texas out of the J. L. QUINALTY SURVEY, ABSTRACT NO. 40 and being all of Lot No. 15 and all of Lot No. 16 of the W. D. Bynum Addition to the City of Lufkin, Texas, dated January 24, 1952 and recorded in Cabinet A, Slide 55A of the Map or Plat Records of Angelina County, Texas to which reference is hereby made for all purposes.



EAST TEXAS ENGINEERING & SURVEYING, INC.


Louis D. Leggett, Registered Public
Surveyor, No. 1585, Lufkin, Texas
March 22, 1990

GROVETON PALLET COMPANY

Pro

Employs 11 people

Profitable at 50% of capacity

Potential profit of \$13,000 per month

Good for Groveton economy

Verbal orders with several buyers

Cost competitive

Learning opportunity

Least capital intensive of affirmative business options

GROVETON PALLET COMPANY

Con

Small Workforce

Competitive Business

Seasonal Sales

Raw Materials vary in cost and availability

No actual contracts for sales at this time

New in business

Potential byproduct disposal problem

Potential dangers in workplace

Potential continued losses

GROVETON PALLET COMPANY

	<u>Expenses</u>	<u>Sales</u>	<u>Profit/(Loss)</u>	
			<u>Mo.</u>	<u>YTD</u>
Dec. - March	\$53,190	\$7,754		(45,436)
Proj. April	7,626	2,200	(5,426)	(50,862)
Proj. May	7,626	2,000	(5,626)	(56,488)

Proposed Purchases:

Saws -----	\$17,500
Truck & Trailer -----	12,000
Forklift -----	<u>5,000</u>
	\$34,500

GROVETON PALLET COMPANY

	<u>Low</u>	<u>Medium</u>	<u>High</u>
Labor	\$ 2,090	\$ 3,040	\$ 3,800
Materials	7,150	13,300	23,600
Operating	<u>7,555</u>	<u>8,779</u>	<u>9,918</u>
Total Cost	\$16,795	\$25,119	\$37,318
Projected Sales	<u>\$14,000</u>	<u>\$28,000</u>	<u>\$51,000</u>
Profit/ (Loss)	<u>(\$ 2,795)</u>	<u>\$ 2,881</u>	<u>\$13,682</u>