

**BEXAR COUNTY BOARD OF TRUSTEES FOR
MENTAL HEALTH MENTAL RETARDATION SERVICES d/b/a**

THE CENTER FOR HEALTH CARE SERVICES

Special-Called Board Meeting

Monday, April 25, 2011

3031 IH 10 West

San Antonio, Texas 78201

6:00 p.m.

TRUSTEES PRESENT: Rebecca G. Brown, Acting Chair
Sam Williams, Jr., Secretary
Harry Griffin, Treasurer
Dianna M. Burns-Banks, M.D.
Ted Terrazas
Ruben D. Zamora

TRUSTEES ABSENT: Mary Rose Brown
Richard P. Usatine, M.D.

STAFF PRESENT: Leon Evans, President/Chief Executive Officer
Charles H. Boone, Chief Operations Officer
Mark A. Carmona, Chief Administrative Officer
John A. Smith, General Counsel
Gilbert Gonzales, Communications and Diversion Director
Janice Bunch, Human Resources Director
Robert Guevara, Controller
Linda Rodriguez, Sr. Executive Assistant/Board Liaison

GUEST PRESENT: Scott Gibbs, Senior Vice President, McGriff, Seibels & Williams
Lance Pendley, McGriff, Seibels & Williams
Katie Priebe, McGriff, Seibels & Williams
Dan Barrett, Principal, Barrett Insurance Services
Jill Watson, Health & Welfare Practice Leader, Gallagher Benefit Services, Inc.
Todd Dorton, Gallagher Benefit Services, Inc.
Nancy Webster, Gallagher Benefit Services, Inc.
Stefanie Montoya, Gallagher Benefit Services, Inc.

The special-called meeting of the Bexar County Board of Trustees for Mental Health Mental Retardation Services d/b/a The Center for Health Care Services was held on Monday, April 25, 2011, at 3031 IH 10 West, San Antonio, Texas.

**CALL MEETING TO ORDER
CERTIFICATION OF QUORUM**

The meeting was called to order by Acting Chair Rebecca G. Brown at 6:10 p.m., with the following trustees present: Dr. Burns-Banks and Messrs. Griffin, Terrazas, Williams and Zamora, thereby establishing a quorum.

INVOCATION – Led by Mr. Sam Williams, Jr.

PLEDGE OF ALLEGIANCE – Led by Mr. Harry Griffin

INDIVIDUAL ITEMS FOR REPORT, DISCUSSION & APPROPRIATE ACTION

1. Review and Approval of the Center’s Selection of Employee Health Insurance Consultant/Broker through RFP Process – *Janice Bunch*

That the Board of Trustees reviews and approves the Selection of an Employee Health Insurance Consultant/Broker as recommended by the Finance Committee. In addition, that the Board of Trustees authorize the President/Chief Executive Officer to execute any necessary contracts to implement the Center’s Health Insurance Plans.

Ms. Bunch reported that the Center had received a total of sixteen (16) proposals. Upon review, four were selected to present to the Finance Committee last week, and as a result, the following two were selected to make a final presentation to the full board.

Scott Gibbs, Senior Vice President
McGriff, Seibels & Williams
- Fee: \$75,000 flat fee; no outlying commissions

Jill Watson, Health & Welfare Practice Leader
Gallagher Benefit Services, Inc.
- Fee: Under \$100,000 as per employee; three year contract without an increase unless there are significant changes.

Upon presentation and discussion, Mr. Griffin moved that the Board of Trustees accept the proposal by Gallagher Benefit Services, Inc., as per a negotiated rate, for the provision of consultant/broker services for the Center’s Employee Health Insurance; and that the President/Chief Executive Officer be authorized to negotiate that contract not to exceed \$100,000.

Mr. Zamora seconded the motion; motion carried 6/0 with no abstentions.

2. Review and Acceptance of the Center’s Financial Statements for the Period Ending March 31, 2011 – *Robert Guevara*

Mr. Guevara reported that the month of March had been a very good one, with the Center ending the month with a positive contribution to fund balance of \$224,417; for a year-to-date operational fund balance of \$610,542. He noted that the anticipated projection was \$1.1 million and stated that there had been some additions made at a later time. He also reported on the increased cost of personnel due to additional payroll days, an increase in Medicaid service revenue vs.

actual budget, the recognition of \$900,000 in New Generation Medication funds, and the overall service revenue budget vs. actual.

Mr. Guevara stated that program staff was already working on the FY 2012 budget in preparation for the anticipated \$2 million shortfall. Mr. Evans, the executive core team, and the financial staff have all met with the program staff, providing them with the necessary data and guidance, asking them to develop a redesign of their program based on the amount of projected funds being made available to them.

Investments in TexPool had a beginning balance of \$6,501,845 and an ending balance of \$8,603,017 for a net increase of \$2,101,172. Interest earned for the month of March was \$1,317 for an average yield of .1461%. The Financial Ratios were all reported within limits, cash flow projections were reported at a little less than \$10 million, and the current ratio on days of operations without additional funding was reported at forty (40) days. If the capital funding was to be added to the bottom line, then it would be fifty-seven (57) days of operation without additional funding.

Dr. Burns-Banks moved that the Board of Trustees accept the Center's Financial Statements for the period ending March 31, 2011 as presented; Mr. Griffin seconded the motion. Motion carried.

3. Report on Activities from the Board Business Development Committee – *Mark A. Carmona*

Mr. Carmona deferred to Mr. Terrazas as Committee Chair to report on the activities of the Board Business Development Committee.

Mr. Terrazas reported that as the Center anticipates the upcoming budget cuts, it is a good time to start exploring other avenues of generating additional revenue. The committee has met several times and has established a vision and developed some goals and objectives. He briefly reported on the redesign model that the committee has been discussing, noting the possibility of moving certain services out from the government model and into the commercial model where it would remove the limitations of government (i.e., Home Health Services) and generate more revenue. Discussions have also revolved around what the possible challenges might be and the committee has been in consultation with an external attorney, Mr. Hal Katz, in regards to those legal issues. Mr. Terrazas anticipates that the committee will have more details to report to the board at their next regularly-scheduled meeting to include a probable cost.

ADDENDUM ITEMS

1. Rescinding Current Board Policy No. 4.6; and Approval and Adoption of a Board Policy Statement on Reduction in Force (RIF), Policy No. 4.6 – *Janice Bunch*

Ms. Bunch reported that the proposed Board Policy Statement relating to a RIF Plan was in concurrence with the newly-revised CHCS Employee Handbook. Ms. Brown requested clarification regarding the history of the current policy statement which was implemented in July 2003 and discussion ensued. It was noted that the proposed policy statement was a broader statement in

accordance with Fair Labor Standards and although it would keep the board involved at the policy level, it would remove them from the extensive process of the RIF Plan.

Mr. Griffin moved that the Board of Trustees approve and adopt the proposed Board Policy Statement on Reduction in Force, Policy No. 4.6, as presented. Mr. Terrazas seconded the motion; motion carried 6/0 with no abstentions.

2. Approval and Adoption of a Board Policy Statement on Succession Planning, Policy No. 5.2 –
Bren Manaugh

Ms. Manaugh reported that the proposed Board Policy Statement on Succession Planning was the result of a requirement cited on a Community Health Accreditation Program (CHAP) review. It was also a request from the board at its' December Board Retreat and has been listed as one of the goals for the President/CEO for 2011.

Dr. Burns-Banks moved that the Board of Trustees approve and adopt the proposed Board Policy Statement on Succession Planning, Policy No. 5.2, as presented. Mr. Williams seconded the motion; motion carried 6/0 with no abstentions.

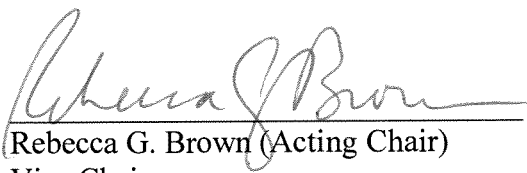
ADJOURNMENT

Ms. Brown announced that Mr. Evans was being honored as a Visionary Leader at the upcoming National Council of Community MHMR Centers Conference in San Diego on May 3rd. However, he would be unable to be present due to an invitation to attend a meeting at the White House with other County Officials.

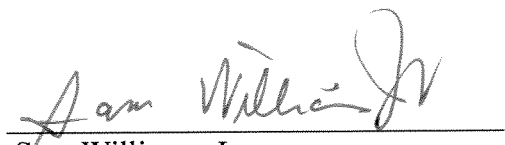
Ms. Brown asked Mr. Carmona what the status was on the board governance training. Mr. Carmona responded that he had met with Mr. Knox Pitts and had been asked to develop a purpose and mission statement.

There being no further business to discuss, Ms. Brown adjourned the meeting at 8:15 p.m.

Passed and approved this 31st day of March, 2011.



Rebecca G. Brown (Acting Chair)
Vice Chairman



Sam Williams, Jr.
Secretary