



REGULAR BOARD MINUTES

July 7, 2023

METROCARE
Board Meeting Minutes
July 7, 2023

A Regular Meeting of the Board of Trustees of Metrocare convened on Friday, July 7, 2023. The meeting was held at 1345 River Bend Dr., Dallas, TX 75247 (Mustangs Rm.)

CALL TO ORDER:

Mr. Bernstein called the meeting to order at 1:03 pm. A quorum was present with five board members in attendance.

Board members in attendance:

Kenneth Bernstein, Dave Hogan, Judge Martin Lowy, Stacy Cantu, and Dr. Sam Yang.

Trustees absent (excused):

Anthony Farmer, Noel O. Santini, M.D., Vickie Rice and Jaime Walkowiak.

Staff present:

John W. Burruss, M.D., Judith Hunter, M.D., Carolina Lasso, Lucas Wilson, Kelli Laos and Ikenna Mogbo.

Guest present:

Joel Geary, LaToya Jenkins, and other guests.

CHAIRMAN UPDATES:

Texas Council Update:

Mr. Bernstein said that he, along with several of our staff, attended the Texas Council Annual Conference last month. He said this reminded him of the challenges at the personal level that organizations meet as it pertains to mental health and the sharing of solutions that they have come up with to resolve them. He encouraged the board members to attend next year's Texas Council Conference which will be hosted in San Antonio, around the 4th week in the month of June. Metrocare will cover the registration fee and travel reimbursement.

Dr. Burruss said that they have sessions specifically devoted to board members and trustees' responsibilities. Our turn to host this event will be in 2025.

Board Member Acknowledgement:

Mr. Bernstein said that Judge Lowy will be stepping down from his position on the board once his replacement is appointed. He encouraged the board to contact him, Mr. Bernstein, if they had any potential candidates to recommend.

Judge Lowy said that it has been a privilege to serve, and that he really has become a bigger supporter of Metrocare as a trustee than when he was a citizen. It has been fascinating to learn some of the complexities and the ins and outs of the operation. He said he and his wife will be moving to a different phase in their lives, and he will not be in

Dallas enough to meet his commitment to the board and offered his continued support to the Center.

Board Retreat

Mr. Bernstein said the retreat is scheduled to take place on Saturday, August 19th based on the results of a survey that was conducted by Olivia. He emphasized the importance of having a quorum present to look at the plans that the Center has for FY24 as well as set and approve the targets for the Key Performance Indicators that sets the direction for the next year or two as it relates to the organization and its programs.

CITIZEN COMMENTS: No public comment was received.

CONSENT AGENDA ITEM(s): April 2023 Reports

All consent agenda items are considered to be routine by the Board and will be enacted with one motion.

1. Acceptance of the April 27, 2023 Regular Board Meeting Minutes
2. Acceptance of the CEO Report for April 2023
3. Acceptance of the Human Resources Report for April 2023
4. Acceptance of the Facilities Services Report for April 2023
5. Acceptance of the Information Technology Report for April 2023
6. Acceptance of the Clinical Services Division Report for April 2023
7. Acceptance of the Mental Health Division Report for April 2023
8. Acceptance of the Housing Division Report for April 2023
9. Acceptance of the Quality Management and Compliance Services Report for April 2023
10. Acceptance of the Local Intellectual and Developmental Disability Report for April 2023
11. Acceptance of the Strategic Initiatives Report for April 2023

CONSENT AGENDA ITEM(s): May 2023 Reports

12. Acceptance of the FY23 Third Quarter Reports on Finance
13. Quarterly Investment Report
14. Community Service Contracts over \$100,000 & Non-Community Services Contracts over \$25,000
15. Lease Obligations over \$25,000
16. Legal Expenses
17. Purchases of Goods, Services and Equipment over \$15,000
18. Participation by Historically Underutilized Businesses (HUB)
19. FY23 Third Quarter Report on Salary Adjustments over \$5,000
20. Acceptance of the Clinical Services Division Report for May 2023
21. Acceptance of the Housing Division Report for May 2023
22. Acceptance of the Local Intellectual and Developmental Disability Report for May 2023

23. Acceptance of the FY23 Third Quarter Reports on Service Delivery (to be submitted separately)
24. Acceptance of the FY23 Third Quarter Reports on Quality Management and Research
25. Acceptance of the Governmental Entity Plan
26. Acceptance of the Strategic Initiatives Report for May 2023
27. Acceptance of the Human Resources Report for May 2023
28. Acceptance of the Facilities Services Report for May 2023
29. Acceptance of the Information Technology Report for May 2023
30. Acceptance of the Mental Health Division Report for May 2023
31. Acceptance of the Quality Management and Compliance Services Division Reports for May 2023

Motion: Judge Lowy moved to Approve the Consent agendas for April and May 2023 as presented, Ms. Cantu seconded. The motion carried unanimously.

ACTION AGENDA

CHIEF EXECUTIVE OFFICER REPORT:

Dr. Burruss echoed his gratitude to Judge Lowy for his participation and representation of Metrocare and his thoughtful comments. He said we are better because he was here, and we are thankful.

Dr. Burruss said the retreat is an important opportunity for us to dive deeply into things that don't get quite as much attention at the monthly board meeting. He hopes that we can have as many of the board members as possible make time to be there because it sets KPI's and will walk through the rationale for confidence that the debt is manageable for Metrocare in the foreseeable future. These are the types of things that we can really get into at the retreat without an agenda that competes with it.

Consideration of Approval of Contract with Perry Guest Construction, LLC to Complete Renovation of 33 Units at the Rawlins Chateau Apartment Complex (verbal report).

Dr. Burruss said that this is the company that has been working with the Bowser properties and now that that has been wrapped up, we are expecting them to transition directly to the Rawlins properties to continue the upgrade of those facilities. Dr. Burruss referred to Mr. Mogbo, Chief Housing Officer, for any additional comments.

Mr. Mogbo said that they are trying to make the Rawlins properties into a place where our own families and children would enjoy living. He said that there are 34 apartment units that need to be upgraded and now that the Bowser properties have been finished, they are transitioning the Perry Guest Team to take over the job. Perry Guest is also doing the property management for us. They have a history and, most importantly, provided the strongest bid financially.

Dr. Burruss invited the board to take a tour of our Rawlins or Bowser properties at any point so that they could see the substantial upgrades to these properties. They are adding central air and they are revamping the kitchen and appliances. The work is extensive to make these top-notch apartments in that part of the city.

In reply to Mr. Bernstein's question, Mr. Mogbo said we are only refinancing our Texas Security Bank Loan. Further, we are using some of the ARPA funds from the County to complete the renovations at Rawlins.

Motion: Ms. Cantu moved to Approve and Mr. Hogan seconded. The motion carried unanimously.

Consideration of Approval of Resolution Delineating the Board's Awareness and Approval of the Chief Executive Officer John W. Burruss, M.D. and/or Chief Financial Officer Lucas Wilson, on Behalf of Dallas County Mental Health and Mental Retardation Center D/B/A Metrocare Services, is authorized to negotiate and execute a real estate refinance contract for the land and premises described as 3917-3929 Rawlins St., Dallas, Texas 75219 ("the Property") with the aggregate principal amount of \$5,150,000.00 (the "Loan") from Dallas Housing Opportunity Fund LLC, ("Lender"), relating to the land and premises described as 3917-3929 Rawlins St, Dallas, Texas 75219.

In reply to Mr. Bernstein's question, Mr. Mogbo said we are refinancing to bring this down from a 7.25 percent interest rate to a 4.25 interest rate and the term to pay this back is longer, nineteen years.

Motion: Ms. Cantu moved to Approve with the date amended to read July 7, 2023. Mr. Hogan seconded with the amendment to the date. The motion carried unanimously.

Acceptance of the Chief Executive Officer Report for the FY23 Key Performance Indicator Progress through May 2023:

This report was made a part of the board packet and stands as presented.

Motion: Ms. Cantu moved Acceptance of the May 2023 Chief Executive Officer Report and Mr. Hogan seconded. The motion carried unanimously.

FINANCE AND ADMINISTRATION REPORTS

Acceptance of the Center's Financial Statements for the periods ending April 2023 and May 2023 (unaudited):

Mr. Lucas Wilson, Chief Financial Officer, reviewed the May financials year-to-date. He said everything looked right on target except the funds owed from Dallas County. We have received more communication within the last week, and they are now starting to process the payments due to their system change and we should have ours soon. As a reminder, we have invoices of \$1.2 million for Hillside reimbursement from the

demolition contract, \$5 million for the housing ARPA funds, and \$2 million to PPE reimbursement. This represents about \$8.2 million total we are owed from Dallas County, which is not recorded in the financials, and is causing some of the negative variance on non-operating revenues. We are also about \$6 million shy on the capital campaign for Hillside which we budgeted this year. The only other thing to note is that we are seeing a significant increase in our salaries and medical claims costs; we are about \$7 million over budget total between the two. Kelli Ariana, and I are part of an evaluation team to evaluate our current broker effective July 1st. We may potentially return to "Gallagher" from "Profectus". They will be doing a fiduciary study to determine what could be causing this increase; they will let us know what we can be doing right now. We have a total of \$9 million that has been approved for Hillside, of that \$1.2 million has been approved for reimbursement as part of the demolition and reimbursement.

Motion: Judge Lowy moved to Accept the Financial Statements for April and May 2023 and Mr. Hogan seconded. The motion carried unanimously.

EXECUTIVE SESSION: (Discussion only – Closed to the Public)

Announcement of Close Session in Accordance with Subchapter D., Texas Government Code Section § 551.072 – Discussion purchase, exchange, lease, or value of real property.

- ❖ Discuss the Purchase Contract of 2 pieces of Real Property

Mr. Bernstein closed the meeting at 1:28 pm.

RETURN TO OPEN SESSION:

Mr. Bernstein opened the meeting at 1:56 pm and declared that there was no action taken during the closed session.

ACTION TAKEN AS A RESULT OF EXECUTIVE SESSION:

Motion: Judge Lowy moved that the board approve and authorize Dr. Burruss and/or his designee to proceed with negotiations and contracting for the purchase of the property located at 9209 Elam Rd., in Dallas County for a total purchase price of approximately \$1.6 million dollars and similarly to authorize Dr. Burruss and/or his designee to proceed with the negotiations and contracting to purchase the real estate property located at 1350 N. Westmoreland for approximately \$3 million dollars and to issue the appropriate notices to the state in connection there with. Mr. Hogan seconded. The motion carried unanimously.

Meeting Adjournment: There being no further business to come before the Board, Mr. Bernstein adjourned the meeting at 2:07 p.m.

Minutes approved by:

Dave Hogan, LCSW
Dave Hogan, Secretary