

BOARD OF TRUSTEES:

R. JACOB CINTRON  
Chair

DAVID STOUT  
Vice-Chair

DAVID DRISCOLL  
Secretary

DR. PETER THOMPSON  
Trustee

VACANT  
Trustee

JOYCE WILSON  
Trustee

DR. RICK MYER  
Trustee



# Emergence Health Network

El Paso Center for Mental Health/Intellectual Disabilities

## EMERGENCE HEALTH NETWORK BOARD OF TRUSTEES

### MINUTES

(Audio copy of the meeting is available upon request)

Emergence Health Network Board of Trustees ("EHNBOT") Meeting  
Tuesday, August 21, 2018 at 3:00 PM  
Central Administration, Boardroom, 201 E. Main St. Ste. 600, El Paso, Texas  
**PRESENT: CINTRON, WILSON, STOUT (3:14PM), DRISCOLL and MYER**  
**ABSENT: THOMPSON**

#### 1. INTRODUCTORY ITEMS

##### A. Call to Order and Certification of a Quorum

Quorum was certified.

##### B. Public Comment

No members of the public spoke during public comment.

#### 2. CONSENT AGENDA

##### A. Approve minutes of the Board of Trustees meeting held on August 13, 2018.

**EHNBOT Action: DRISCOLL moved/WILSON seconded to approve Consent Agenda.**  
**Motion Carried (4/0)**

#### 3. REGULAR AGENDA

##### A. Discuss and take appropriate action regarding FY2019 EHN Budget.

Ms. Kristi Daugherty reported the following:

Board members discussed the proposed FY19 Budget and documentation received reflecting the amendments requested by board to include additions of the compensation study, comparison of number full time employee by Division and detail on the donation line item.

Ms. Wilson asked to clarify the information reflected on the updated budget document to understand the calculation of the new bottom line for the proposed FY2019 budget.

The revised proposed budget includes total revenues of \$51,653,485 and total expenses to include the compensation study at \$52,107,835 leaving the bottom line with a deficiency of (\$454,351) to be covered with reserves.

**EHNBOT Action: WILSON moved/DRISCOLL seconded to approve the FY2019 EHN Budget. Motion Carried (4/0)**

##### B. Discuss and take appropriate action regarding the purchase of three vehicles for IDD through Texas Smart Buy vendor contract 071-A1.

Mrs. Davis presented the following:

The request is to purchase a total of three vehicles for the IDD division through the use of the Texas Smart Buy program. The vehicles will be used to support IDD operations for IDD Crisis START program and Crisis Respite program. Total cost is \$81,744 and the funds used for the purchase are available in the FY2018 budget.

**EHNBOT Action: WILSON moved/DRISCOLL seconded to approve the purchase of three vehicles for IDD through Texas Smart Buy vendor contract 071-A1. Motion Carried (4/0)**

#### **4. REPORTS AND PRESENTATIONS**

##### **A. Receive CEO report regarding current EHN operation.**

Ms. Kristi Daugherty reported the following:

- Ms. Daugherty provided a presentation highlighting the goals accomplished in fiscal year 2018.
- Proposed fiscal year 2019 CEO Goals were presented with brief explanations by division chiefs highlighting tasks related to their corresponding divisions. Board recommended to provided amendments to include:
  - Addition to HR Section, Strategic Initiative #4A: Complete compensation and classification study to include adoption of recommended policies and total rewards inventory checklist by end of FY19.
  - Addition to HR Section, Strategic Initiative #4A: Enhance partnership with regional institutions of higher learning and other not for profit organizations by establishing a speaker series featuring three sessions conducted by EHN personnel aimed at new or recent graduates to highlight EHN as employer of choice by end of third quarter of FY19.
  - Addition to HR Section, Strategic Initiative #4A: Identify and establish partnerships with three organizations that serve underrepresented populations by establishing links through which EHN can communicate employment opportunities by end of third quarter of FY19 to include veteran, LGBTQ and persons with disabilities to be measured by better retention of current employees and lower turnover rates as compared to baselines established in FY2018.
  - Addition to HR Section, Strategic Initiative #4A: Utilizing SnapComms photo upload as a primary vehicle to publicize employee accomplishments by launching EHN Superheroes recognition program by second quarter FY19.
  - Changes to Finance Section, Strategic initiative #5B: Designate a reserve fund for potential investments for unique business opportunities in FY19.

##### **B. Chief Financial Officer's report on EHN financials.**

Ms. Roxie Samaniego reported the following:

- EHN's Financial Position on current assets as of July 31<sup>st</sup>, totaling \$24 million compared to total liabilities of \$7 million with a current ratio of 3.29 to 1. Fund balance is at \$16.8 million; 31% of annual budget.
- Cash flow forecast July actuals with 100 days cash on hand and ending cash balance of \$16.6 million. Ratios and five year comparisons were reviewed.
- Current MTD Actuals vs Monthly Budget – actual increase of \$1.75M without the waiver; budget increase of \$1.37M with a positive variance of \$387k. Primarily made up of higher net fee for service revenue, lower supplies and salaries and benefits expense. Eleven months ended normalized without the waiver decrease of \$1.9 million with a budget decrease of \$3.5 million and a positive variance of \$1.6 million. Primarily made

up of lower net fee for service revenue, lower G&A salaries and benefits, higher MAC revenue and lower supplies expenses.

- Current Month Actuals FY18 vs FY17 ending in July 31st – normalized without the waiver of an increase of \$9k compared to a decrease of \$502k for FY17 with a favorable variance of \$511k. Primarily made up of higher net fee for service revenue. Eleven months ended with a decrease of \$1.9 million and a decrease of \$4.2 million with a favorable variance of \$2.3 million. Primarily made up of higher net fee for service revenue, higher other revenue that includes the sale of Ankerson property, lower G&A salaries and benefits and lower capital expenditures.
- Health Fund – net expenses over revenues with a positive of \$248k for FY18.

5. **EXECUTIVE SESSION**

The Board of Trustees went into executive session at 4:31 PM to discuss items 5A-D. Present at executive session was Jacob Cintron, Commissioner David Stout, Dr. Rick Myer, David Driscoll, Joyce Wilson, Attorney Michael Wyatt, Attorney Fred Green, Kristen Daugherty (left at 5:08 PM, returned at 5:32 pm) Peter Fargo (left at 5:05 pm) and Jessika Franco. The board concluded executive session at 5:50 PM.

- A. Discuss CEO FY 2018 goals and incentive compensation pursuant to Texas Gov't Code Sec. 551.074.
- B. Discuss CEO FY 2018 evaluation process pursuant to Texas Gov't Code Sec. 551.074.
- C. Discuss CEO FY 2019 goals pursuant to Texas Gov't Code Sec. 551.074.
- D. Discuss amendment to CEO contract based on compensation study pursuant to Texas Gov't Code Sec. 551.074.

6. **OPEN SESSION**

The Board of Trustees returned to Open Session at 5:51 PM.

- A. Discuss CEO FY 2018 goals and incentive compensation pursuant to Texas Gov't Code Sec. 551.074.

**EHNBOT Action: DRISCOLL moved/MYER seconded to approve incentive pay adopted by the board. Motion (5/0)**

- B. Discuss CEO FY 2018 evaluation process pursuant to Texas Gov't Code Sec. 551.074.

**EHNBOT Action: No action.**

- C. Discuss CEO FY 2019 goals pursuant to Texas Gov't Code Sec. 551.074.

**EHNBOT Action: WILSON moved/DRISCOLL seconded to approve CEO FY 2019 goals with amendments provided during the presentation. Motion (5/0)**

- D. Discuss amendment to CEO contract based on compensation study pursuant to Texas Gov't Code Sec. 551.074.

**EHNBOT Action: WILSON moved/DRISCOLL seconded to amend CEO contract based on the recommendation of Legal Counsel and HR. Motion (5/0)**

7. **ADJOURNMENT**

**THE MEETING ADJOURNED AT 5:55 PM.**

Approval Date: 9/27/18  
By: David M. Driscoll  
David Driscoll, Board Secretary