



NOTICE OF MEETING

MEMBERS OF THE BOARD OF TRUSTEES

The Gulf Coast Center Board of Trustees meeting for the month of August will be held on Wednesday, **August 23, 2017** at **6:15 p.m.** at the **Brazoria County Community Service Center**, located at **101 Tigner, Angleton, Texas.**

Thank you,

Cathy Claunch-Scott
Secretary to the Board of Trustees

cc: August Board of Trustees File

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www.GulfCoastCenter.org

Our mission is to provide accessible, efficient and quality services to support the independent and health living of those we serve.

THE GULF COAST CENTER
Regular Board of Trustees Meeting
Brazoria County Community Service Center
101 Tigner, Angleton, TX 77515
Wednesday, August 23, 2017
6:15 pm



"Better community healthcare promoting healthy living."

- 1. Call To Order**..... Jamie Travis, Board Chair
- 2. Citizens' Comments**
- 3. Program Report**
 Connect Transit – The Goodman Corporation.....Rick Elizondo
- 4. Board Member Reports**
 - a. Texas Council of Community Centers Jamie Travis, Board Chair
 - b. Texas Council Risk Management Fund (**Pg. 1-2**)....Mary Lou Flynn-Dupart, TCRMF Board Chair
- 5. CEO Report** Melissa Tucker, CEO
 - a. Center Reorganization and Transition Update
 - b. 1115 Waiver Status Report
 - c. Communication, Legislative & Community Development Efforts
- 6. Operations Report**.....
 - a. IDD Services.....Jamie White
 - b. Adult Mental Health.....Sarah Holt
 - c. Recovery Services.....Monica Mehalshick
 - d. Youth Behavioral Health Services.....Amy McMahon
 - e. MIS.....Pam Melgares
 - f. Connect.....Rick Elizondo
- 7. Budget, Finance and Admin Reports**.....
 - a. Financial Board Monthly & YTD Summary.....Rick Elizondo
 - b. Financial & Operational Highlight – Managed Care.....Rick Elizondo

- 8. Consent Agenda**.....Linda Bell, JD
Consideration and Approval of Recommendations and Acceptance of Consent Agenda Items.
(Consent agenda items may be pulled from this consideration for individual action or presentation.)
- a. Review and approval of July 19, 2017 board meeting minutes. **(Pg. 3-11)**
 - b. Review and approval of July 2017 check register.
- 9. Action Items**.....Linda Bell, JD
All Action items terminate at the end of FY 2017 unless indicated otherwise
- a. Consider the approval of the appointment of the Nominating Committee for the FY18 Board Elections.
 - b. Consider the approval of the FY18 Holiday Schedule. **(Pg. 12)**
 - c. Consider the approval of the Audit Engagement Letter with Davis, Kinard & Co, PC for completion of the FY2017 Financial and Compliance Audit. **(Pg. 13-21)**.
 - d. Consider the approval of the renewal lease agreement (Amendment #15) with **Shearn Moody Plaza** for 853 square feet of the fourth floor for the HIV/HEI programs, in addition to the 12,589 square feet leased on this floor. Term: September 1, 2017 to August 31, 2018.
 - e. Consider the approval of the Interlocal Participation Agreement and Resolution with the **Goodbuy Purchasing Cooperative** for Gulf Coast Center to join for the best value purchasing through this cooperative's qualified vendors. **(Pg. 22-26)**
 - f. Consider the approval of the FY18 renewal contract with **The Behavioral Health Center of Nueces County** for the purpose of providing (CLOIP) Community Living Options Information Process.
 - g. Consider the approval of the renewal agreement for Coordination of Non-Emergency Transportation Services to Elderly, Disabled and Low Income Residents through Harris County RIDES Program within the area of Pearland, Friendswood and League City. Term: September 26, 2017 through September 25, 2018 (no change from FY17)
 - h. Consider the Resolution in support of application to Houston METRO for Section 5307 federal funding for operations of League City Park & Ride.
 - i. Consider the approval of the Resolution in support of application to Federal Transit Administration for Section 5339(b) (Bus and Bus Facilities) funding for construction of Connect Transit Texas City Administrative Facility.
 - j. Consider the approval of the Demand Response (DR) fare increase and start of 30-day public notice period for implementation of DR fare increase.

- k. Consider the approval of the renewal agreement with **Galveston County** to fund a support staff/Mental Health deputy position for **Mental Health Deputies Program**.
Term: September 1, 2017 to August 31, 2018.
Service Area: MH Adult County of Service: Galveston
Amount not to Exceed: \$73,437.19 (\$5.00 increase from FY17)
- l. Consider the approval of the FY18 renewal amendment with **NAMI Gulf Coast** to provide MH family and consumer education, support and training services; and community education, training and partnerships as well as Mental Health First Aid training. Term: September 1, 2017 to August 31, 2018.
Total Amount not to exceed: \$28,000.00 (no change from FY17)
- m. Consider the approval of the FY18 renewal amendment with **The ARC of the Gulf Coast** to provide intellectual and development disability family education and training services for individuals in the local communities. Term: September 1, 2017 to August 31, 2018. **Total Amount not to exceed:** \$16,000.00 (no change from FY17)
- n. Consider approval of the Amendments to the FY17 Residential Services Network Agreement for the below listed providers due to end of year reallocation of funding.
ADA: Decrease FY17 by \$2,374.49 – Amount not to exceed for FY17: \$302,582.33
BARC: Increase FY17 by \$60,000.00 – Amount not to exceed for FY17 \$249,933.69
Adapt: Decrease FY17 by \$82,373.51 – Amount not to exceed for FY17 \$616,734.69
On the Path to Recovery: Decrease FY17 by \$45,000.00 – Amount not to exceed for FY17 \$641,951.68.
- o. Consider the approval of the new agreement with **Houston Behavioral Healthcare Hospital** to provide mental health Inpatient Services on an as needed basis for children and adolescents receiving services by Center. Term: September 1, 2017 to August 31, 2018.
Amount: \$\$600.00 per day flat rate; all fees include all necessary and required services and medications.
- p. Consider the approval of the renewal agreement with **Rowan HCI, Inc** to provide healthcare related consulting services to Gulf Coast Center, including strategic direction on national, state and local trends in healthcare delivery. Change from FY17; decrease in hours from 16 to 10 per month. Amount not to exceed: \$3000/month
- q. Consider the approval of the renewal MOU **with Quality of Care LLC** for the purpose of coordinating referrals and resources for the provision of specific Youth Empowerment

Services (YES) Waiver program for youths who are residents of Galveston and Brazoria Counties. No change

- r. Consider the approval of the FY18 Amendment **with Mills, Shirley LLP** for legal representation and consultation services to the Center and its Board of Trustees. Term: September 1, 2017 to August 31, 2018. FY18 Annual Flat Rate \$7,500.00.
- s. Consider approval of the agreement with **Lifetime Homecare HCS, LLC** to provide crisis respite for individuals with intellectual or developmental disabilities (IDD), Individual's demonstrating in crisis that cannot be stabilized in a less intensive setting. Term: September 1, 2017 to August 31, 2018. Amount not to Exceed: \$90,000.00
County of Service: Galveston and Brazoria
- t. Consider approval of the new agreement with **ICE Care Group** to provide community support services, day habilitation, employment, and behavioral support and respite services. Term: September 1, 2017 to August 31, 2018. Fee Schedule Attached (**Pg. 27**)
- u. Consider the approval of the FY18 renewal agreement with **Nortek Medical Staffing** for locum tenens coverage at the Center's mental health clinics. Term: September 1, 2017 to August 31, 2018. County of Service: Galveston and Brazoria
Total Amount not to exceed: \$140/hr for telemedicine service (no change from FY17)
- v. Consider the approval of the below FY18 renewal agreements with identified providers for the specified Home and Community Based services (HCS). Term: September 1, 2017 to August 31, 2018

County of Services: Identified Below, (no change from FY17)

HCS Services	Reimbursement Rate	Provider	County of Service
Foster Care	\$25,254.35 (\$69.19)	Jamie Travis	Brazoria
Foster Care	\$18,574.85 (\$50.89)	James Floyd	Galveston

- w. Consider the approval of the renewal agreement with **Modern Psychological and Allied Services, LLP** providing Determination of Eligibility for individuals with intellectual and developmental disabilities, Autism, and other related diagnosis services. Term: September 1, 2017 to August 31, 2018
Service Area: IDD County of Services: Galveston
Amount: \$350/completed Determination of Eligibility assessment (no change from FY17)
- x. Consider the approval of the renewal agreement with **JSA Telehealth** who will provide telemedicine services in designated Center facilities on an as needed basis. Term: September 1, 2017 to August 31, 2018.
County of Service: Galveston & Brazoria

Rate of Reimbursement: \$295/consumer for emergency evals; \$188/hr for outpatient management (adult); \$100/no shows (no change from FY17).

- y. Consider the approval of the FY18 Renewal Amendments for the IDD NON-TRADITIONAL PROVIDER NETWORK with the 27 below identified individuals for the provision of respite, community support, Community First Choice Transportation, and/or Independent Living Skills (ILS) for nursing facilities. **No changes from FY17.**

Brazoria County	Galveston County	REIMBURSEMENT RATES	
Dejulian, Maria	Covert, Kimberly*	Respite	Standard base level = \$10/hr; Medical/Behavioral need = \$15/hr
Edwards, Stephen*	Chinn, Lorie		
Green, Janice "Jan"	Finn, Linda*	Community Support	Standard base level = \$13/hr
Morris, Cindy *	Freuden, Constance "Laura"		
Roberts III, Charles	Holloway, Sharon*	Skills Training Nursing Facility	Independent Living Skills \$18/ hr
Shuler, Deborah *	Hosein, Fareena "Neesha"*		
Tupin, Michael *	James, Caroline	Mileage	0-5=\$3; 6-12=\$6; 13-20=\$9; 20-25=\$15; 33-40=\$18
Walker, Katherine	Millsap, Shivera		
Andrada, Michael	Petteway, Patricia		
	Pope, Eleanor		
Harris County	Purdy, Shandrekh	*One Client	
Morales, Alejandra	Simmons, Malinka		
Prewitt, Hilda *	Thomas, Althea		
Davidson, Jeanette "Jan"*	Turner, Megan *		
	Burton, Annie C.		

- z. Consider the approval of the FY17 addendum to the current Agreement with **C&J Janitorial Services, Inc.** for additional janitorial services and cost beyond the original Agreement (increase of \$4,731.34).
- aa. Consider the approval of the FY18 renewal contract with **C&S Janitorial Services, Inc.** to provide janitorial services to Center facilities in Galveston and Brazoria Counties including the addition of service to the new Administration lease. Term: September 1, 2017 to August 31, 2018. Total Amount not to exceed for FY18: \$119,374.00
- bb. Consider the approval of the FY17 addendum to the current agreement with **Killum Pest Control, Inc.** for additional pest control services and cost beyond the original agreement. (Increase of \$6,150.40).
- cc. Consider the approval of the FY18 renewal contract **with Killum Pest Control, Inc.** to provide pest control services to Center facilities in Galveston and Brazoria Counties. Term: September 1, 2017 to August 31, 2018. Total Amount not to exceed for FY18: \$9,790.00.
- dd. Review, discuss, and approve recommendations regarding benefit eligible employees who opt out (do not require) health insurance coverage via the Center's plan. Note: Legal advice from General Counsel and Board of Trustee Attorney required for discussion.

- **EXECUTIVE SESSION:** *As authorized by Chapter §551.071 of the Texas Government Code, the Board of Trustees reserves the right to adjourn into Executive Session at any time during the course of this meeting to seek legal advice from its Attorney about any matters listed on the agenda.*
- Return to open session

10. Pending or Revised Action Items.....Linda Bell, JD

Pending or revised items are those items which were on a prior board agenda but not completely resolved or there has been a revision since approval. The items may be listed for update purposes or final action by the Board.

11. Calendar.....Jamie Travis, Board Chair

Date	Event	Time	Location
August 23, 2017	Board Meeting	6:30 p.m.	Angleton
August 16-19, 2017	Texas Council		Austin
September 19, 2017	Board Retreat	1:00 p.m.	Mall of the Mainland, Texas City
September 19, 2017	Board Retreat-Ribbon Cutting	4:30 p.m.	Mall of the Mainland, Texas City
September 27, 2017	Board Meeting	6:30 p.m.	Mall of the Mainland, Texas City
October 5-6, 2017	ETBHN Board Retreat		Moody Gardens, Galveston
October 25, 2017	Board Meeting	6:30 p.m.	Angleton
December 13, 2017	Board Meeting	6:30 p.m.	Mall of the Mainland, Texas City
January 24, 2018	Board Meeting	6:30 p.m.	Angleton
February 28, 2018	Board Meeting	6:30 p.m.	Mall of the Mainland, Texas City
March 28, 2018	Board Meeting	6:30 p.m.	Angleton
April 25, 2018	Board Meeting	6:30 p.m.	Mall of the Mainland, Texas City
May 23, 2018	Board Meeting	6:30 p.m.	Angleton
June 20-22, 2018	TX Council Conference		Sheraton, Dallas
July 25, 2018	Board Meeting	6:30 p.m.	Mall of the Mainland, Texas City
August 22, 2018	Board Meeting	6:30 p.m.	Angleton

12. Executive Session

As authorized by Chapter §551.071 of the Texas Government Code, the Board of Trustees reserves the right to adjourn into Executive Session at any time during the course of this meeting to seek legal advice from its Attorney about any matters listed on the agenda.

- Return to open session

13. Action Regarding Executive Session

14. Adjourn



Board Update
August 2017

The Board of Trustees and Advisory Committee held a regular Board meeting on August 4. Following are some highlights of the meeting.

- On Thursday August 3rd, an Advisory Committee Orientation took place with 7 members participating. The Orientation is for new Advisory Committee members and provides an overview of the Fund's structure, service agreements, enabling legislation and board policies.
- The Board approved a surplus management strategy for the workers' compensation, liability, and property programs for the 2017-2018 Fund year. The Fund's strong financial position support the strategy with approximately \$10.8 million in reserves for rate stabilization. Approximately \$863,000 of this surplus is designated for use in rate stabilization during the coming year. This is an approximately a \$200,000 increase from what was proposed at the May 2017 Board meeting. The increase relates to the updated projection of the property reinsurance costs.
- The Board approved the funding strategy for workers' compensation, liability, and property coverage for 2017-2018. Member contributions will be roughly flat, looking at all lines of coverage combined. This is in part due to the anticipated use of approximately \$863,000 in surplus for the purpose of rate stabilization. It is important to note that actual changes in contributions for each member will vary up or down, depending upon their prior claims experience, change in exposures, equity position, etc.
- The Board approved a final budget for the 2017-18 Fund year. Total expenses for the preliminary budget are projected at about eight percent greater than the current year. This increase reflects phase two of the expansion of loss control activities and addition of new leadership trainer and loss control consultant.
- The Board approved reinsurance renewal quotations for workers' compensation and liability coverage for 2017-18. The renewal rates will decrease for workers' compensation by about three percent and increase for liability by 11 percent. Due to a difficult property market, the renewal rate increase is approximately 13 percent.
- The Board appointed Pam Beach as the Fund's General Counsel. In addition, Pam will continue to serve as a legal consultant to all member centers.

- The Board approved renewal of the Memorandum of Agreement with the Texas Council of Community Centers, for administrative support services provided to the Fund. The renewal agreement is for a three year period and an annual compensation of \$150,000. The agreement continues to include a provision where Fund members are given some credit on their Texas Council dues.
- Discussion on developing Leadership training to address the future needs of centers for the next 12-18 months included: succession planning, career ladder, change management and focusing on middle to upper level management staff.
- The Fund has expanded the Errors and Omission (E&O) coverage to include an attorney responding to Equal Employment Opportunity Commission (EEOC) complaints made against members.

The next Board of Trustees meeting will be held on November 17, 2017 at the Crowne Plaza in Austin, Texas.

THE GULF COAST CENTER

Regular Board of Trustees Meeting
Mainland Community Service Center
7510 FM 1765, Texas City, TX 77590
Wednesday, July 19, 2017
6:15 pm



"Better community healthcare promoting healthy living."

Minutes

1. **Call To Order**– Jamie Travis, Board Chair of the Board of Trustees, convened the regular meeting on Wednesday, July 19, 2017 at 6:18 p.m. at the Mainland Community Service Center located at 7510 FM1765, Texas City, Texas.
The following Board Members were present: Mary Lou Flynn-Dupart, Linda Coleman, Jaime Castro, Vivian Renfrow, Stephen Holmes, George Grimes and Caroline Rickaway

The following Board Members were absent:

Also present were: Melissa Tucker, CEO – Gulf Coast Center, Chris Cahill – Mills, Shirley, Todd Patch MMA, Kara McManus The Goodman Corporation and other Center staff.

2. **Citizens' Comments:** NONE

3. **Program Report:**

MMA (Marsh & McLennan Agency: Todd Patch and Erin Roman with MMA (Marsh & McLennan Agency gave the board an update on the changes to the Centers Employee Health Care Plan. The recommendations are to stay with Aetna Self-Funded Plan with a 3.25% increase to Gulf Coast Center portion. The plan will include changing both the dental and vision plans to go with one company Sunlife. Staying with Unum for Life and Disability which would include moving long term to voluntary with 120 days EP and change short term to 16 week max benefit period to correspond with long term 120 day EP. Karen McManus with the Goodman Corporation gave an update on Connect Transit regarding the Connect Transit Demand Response Service and Fare Structure Recommendations. The new fare structure being proposed is a mileage-based structure. The mileage-based structure has a base fee for the first ten miles of \$1.50 for the first year and \$2.00 for the second year, plus \$0.25 for each mile over ten miles. No change to fares for ADA and Veteran trips is proposed.

4. **Board Member Reports:**

Texas Council of Community Centers: Jamie Travis, Board Chair gave an update on the Annual Conferee that the Center hosted for the Texas Council.

Texas Council Risk Management Fund: The Center was awarded the Outstanding Achievement in Liability Loss Prevention.

5. **CEO Report** Melissa Tucker, CEO

- a. **Center Reorganization and Transition Update:** Melissa Tucker, CEO reported the number of original position for the Revenue Cycle Management Reorganization (RCM) was forty-five and three temporary positions. The number of newly titled positions is forty-one and thirty-eight internal staff was hired and two temporary staff moved into positions and one retirement and eight employees not selected for positions.
- b. **1115 Waiver Status Report:** None
- c. **Communication, Legislative & Community Development Efforts:** Melissa Tucker, CEO referenced the Texas Council Legislative Review was e-mailed to all Board members previously which provided extensive detail. The current focus is on Senate Bill 292, SB 16.22, SB1849 and 17032-Sandra Bland Act, Jail Diversion and the processes in the Jail. Staff have already meeting with Brazoria County DA Office, MHD and Sheriff Department regarding legislative changes. A plan was discussed to meet with Galveston County officials regarding recent Justice System Assessment and new legislation. The Galveston County Justice System Assessment – reviewed Draft Galveston County Justice System Assessment completed by Council of State Governments and Meadows Mental Health Policy Institute that was previously e-mailed to all Board members. Gulf Coast Center responded with language and content inaccuracies as well as additional detail necessary. The final report pending a couple of months. Draft report was presented to the public. Process needs to improve to gain efficiencies, address gaps and prepare for new legislation. The primary concern is level of care recommended without additional funds. Reviewed possible funding opportunity through SB 292. Discussed challenges other community centers face with their Extended Observation Units. Foundation/Grant Funding Update: Completed site visit with Episcopal Health Foundation who encouraged Gulf Coast Center to apply during 2018 once we can demonstrate completion of phase one of Behavioral Health Leadership Team (BHLT).

6. **Operations Report:**

- a. **IDD Services:** None
- b. **Adult Mental Health:** None
- c. **Recovery Services:** None
- d. **Youth Behavioral Health Services:** Amy McMahon, Director of Child and Adolescent Services reported that Mental Health Children Services in Galveston County partnered with the Galveston County Food Bank to participate in the Kidz Pacz program. The program is intended to fill the summer hunger gap by providing Kidz Pacz to those in need. Kidz Pacz are distributed at no charge to hungry children in food insecure populations identified by case managers or self report. Kahne Girouard, Clinic Coordinator at AP arranged for Anchor Point to be a distribution site during the summer months and also distributed the Kidz Pacz on Fridays and provided case management of those being served. MHC is proud to announce they are serving forty-three children and seventeen families.
- e. **MIS:** Pam Melgares gave a brief update on MIS services.
- f. **Connect:** Rick Elizondo gave a brief update on new vehicles for Connect Transit.

7. **Budget, Finance and Admin Reports:**

- a. **Financial Board Monthly & YTD Summary:** Rick Elizondo CFO reported for the month of June, The Center had expenses exceeding its revenue resulting in a deficit of (106,821.41) but still maintaining a positive year to date surplus of \$329,921.16.
- b. **Financial & Operational Highlight – Managed Care:** None

- c. **3rd Quarter Board Report:** Linda Bell, Director of Legal Services gave an update on the FY17 10% withhold performance measures.

8. **Consent Agenda**.....Linda Bell, JD
Consideration and Approval of Recommendations and Acceptance of Consent Agenda Items. (*Consent agenda items may be pulled from this consideration for individual action or presentation.*)

a. **Review and approval of May 21, 2017 and June 21, 2017 board meeting minutes.**

On motion by Mary Lou Flynn-Dupart, seconded by Linda Coleman the board voted the approval of the May 21, 2017 and June 21, 2017 board meeting minutes. The motion carried with all members voting in favor.

b. **Review and approval of May and June 2017 check register.**

On motion by Mary Lou Flynn-Dupart, seconded by Jaime Castro the board voted the approval of the May and June 2017 check register. The motion carried with all members voting in favor.

9. **Action Items**.....Linda Bell, JD

All Action items terminate at the end of FY 2017 unless indicated otherwise

a. **Review, discuss and approve recommended changes to the Center's Employee Health Benefits Plan i.e. Aetna (self-insured).**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the recommended changes to the Center's Employee Health Benefits Plan i.e Aetna (self-insured). The motion carried with all members voting in favor.

b. **Consider acceptance of the property surplus declaration and associated resolution for the identified real properties which are publicly listed for sale.**

- 3509 and 3511 Broadway, Galveston, Galveston County, Texas
- 7000 Avenue B, Santa Fe, Galveston County, Texas
- 204 W. Coombs, Alvin, Brazoria County, Texas; and
- 4650 Dixie Far Road, Pearland, Brazoria County, Texas

On motion by Mary Lou Flynn-Dupart, seconded by Caroline Rickaway the board voted the acceptance of the property surplus declaration and associated resolution for the identified real properties which are publicly listed for sale. The motion carried with all members voting in favor

c. **Consider approval of the new MOU with County of Brazoria, for the purpose of collaborating and supporting the Brazoria County Veterans Treatment Court.**
Term: 12 months.

Description: The Center will create a trained and certified group of volunteer veteran peer support mentors as well as coordinate three behavioral health trainings for volunteer veteran mentors in support of outreach and mentoring program for the Brazoria County Veterans Treatment Court.

On motion by Mary Lou Flynn-Dupart, seconded by Linda Coleman the board voted the approval of the new MOU with County of Brazoria, for the purpose of collaborating and supporting the Brazoria County Veterans Treatment Court. The motion carried with all members voting in favor. Caroline Rickaway abstained.

- d. **Consider the approval of Amendment 5 to the FY17 HHSC Treatment Adult Services contract (TRA) #2016-048501-002A. This amendment removes clinic site #904999 and adds clinic site #100785 for residential substance use treatment services at Brazos Place.**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the Amendment 5 to the FY17 HHSC Treatment Adult Services contract (TRA) #2016-048501-002A. This amendment removes clinic site #904999 and adds clinic site #100785 for residential substance use treatment services at Brazos Place. The motion carried with all members voting in favor.

- e. **Consider the approval of Amendment 2 to the FY17 HHSC HIV Outreach Services contract (HIV) #2016-0481282-002A. This amendment includes \$177,640 in additional funding for Texas Targeted Opioid Response services.**

On motion by Mary Lou Flynn-Dupart, seconded by Jaime Castro the board voted the approval of the Amendment 2 to the FY17 HHSC HIV Outreach Services contract (HIV) #2016-04182-002A. This amendment includes \$177,640 in additional funding for Texas Targeted Opioid Response services. The motion carried with all members voting in favor.

- f. **Consider the approval of the FY18 HHSC IDD performance contract #529-18-0054-00001. Total amount not to exceed \$2,211,553.70 which represents no change from FY17.**

On motion by Mary Lou Flynn-Dupart, seconded by Jaime Castro the board voted the approval of the FY18 HHSC IDD performance contract #529-18-0054-00001. Total amount not to exceed \$2,211,553.70 which represents no change from FY17. The motion carried with all members voting in favor.

- g. **Consider the approval of the FY18 HHSC HIV Early Intervention Services contract (HEI) #2016-048266-003. Total allocation is \$125,537 which represents no change from FY17.**

On motion by Mary Lou Flynn-Dupart, seconded by Jaime Castro the board voted the approval of the FY18 HHSC HIV Early Intervention Services contract (HEI) #2016-048266-003. Total allocation is \$125,537 which represents no change from FY17. The motion carried with all members voting in favor.

- h. **Consider approval to open a 30-day public comment period for the Demand Response fare increase for Connect Transit services.**

On motion by Mary Lou Flynn-Dupart, seconded by Caroline Rickaway the board voted the approval to open a 30-day public comment period for the Demand Responses fare increase for Connect Transit services. Following discussion the motion carried with all members voting in favor.

- i. **Consider approval of the revised board bylaws. At the request of TxDOT, the Center has revised Section III,b.of the Board of Trustees bylaws to specify training on ethics and corporate compliance.**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the revised board bylaws. At the request of TxDOT, the Center has revised Section III,b of the Board of Trustees bylaws to specify training on ethics and corporate compliance. Following discussion the motion carried with all members voting in favor.

- j. **Consider ratification of the June 19, 2017 MOU with King Consulting for the coordination of a site visit, letter of intent and formal application with Episcopal Health Foundation for a funding opportunity benefitting the Center's mental health department for child, adolescent and adult services, specifically a new initiative of a Behavioral Health Leadership Team. Reimbursement total: \$200**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the ratification of the June 19, 2017 MOU with King Consulting for the coordination of a site visit, letter of intent and formal application with Episcopal Health Foundation for a funding opportunity benefitting the Center's mental health department for child, adolescent and adult service, specifically a new initiative of a Behavioral Health Leadership Team. The motion carried with all members voting in favor.

- k. **Consider the approval of the new agreement with Nilesh Patel, MD to provide professional outpatient psychiatric services at the Angleton Community Service Center. Term: August 1, 2017 to August 31, 2018. Service Area: MH Adult County of Service: Brazoria Amount not to exceed: \$65,000.00 (Rate \$140/hr) Description: Nilesh Patel, MD has prior work history with GCC (July 1995-July 2002), providing professional outpatient psychiatric services at Angleton CSC. Dr. Patel is Board certified in adult and child psychiatry. Contract ended with GCC in 202 in good standing. Dr. Patel's services will replace 8 hours/week of contracted telemedicine services.**

On motion by Jaime Castro, seconded by Vivian Renfrow the board voted the approval of the new agreement with Nilesh Patel, MD to provide professional outpatient psychiatric services at the Angleton Community Service Center. The motion carried with all members voting in favor.

- l. **Consider the approval of the renewal of the FY18 agreement to the professional services agreement with The University of Texas Medical Branch at Galveston d/b/a UTMB Health for the provision of inpatient psychiatric services directly related to physician coverage. Term: September 1, 2017 to August 31, 2018. Service Area: MH Adult County of Service: Harris Amount not to exceed: \$459,900.00 (\$63.00/bed day no change from FY17)**

On motion by Jaime Castro, seconded by Vivian Renfrow the board voted the approval of the renewal of the FY18 agreement to the professional services agreement with The University of Texas Medical Branch at Galveston d/b/a UTMB Health for the provision of inpatient psychiatric services directly related to physician coverage. The motion carried with all members voting in favor. Mary Lou Flynn-Dupart abstained

- m. **Consider the approval of the renewal of the FY18 agreement to the professional services agreement with The University of Texas Medical Branch at Galveston d/b/a**

UTMB Health for Child Psychiatry Services. Term: September 1, 2017 to August 31, 2018.

On motion by Jaime Castro, seconded by Stephen Holmes the board voted the approval of the renewal FY18 agreement to the professional services agreement with The University of Texas Medical Branch at Galveston d/b/a UTMB Health for Child Psychiatry Services. The motion carried with all members voting in favor. Mary Lou Flynn-Dupart abstained.

- n. **Consider the approval of the renewal of the agreement The University of Texas Medical Branch at Galveston d/b/a UTMB Health for the provision and administration of a substance abuse Detox clinic. Term: September 1, 2017 to August 31, 2018.**

Defer

- o. **Consider approval of the new agreement with Behavioral Hospital of Bellaire for mental health Inpatient Services on an as needed basis for children and adolescents receiving services by Center. Term: July 19, 2017 to August 31, 2018.**

On motion by Jaime Castro, seconded by Vivian Renfrow the board voted the approval of the new agreement with Behavioral Hospital of Bellaire for mental health inpatient Services on an as needed basis for children and adolescents receiving services by Center. The motion carried with all members voting in favor.

- p. **Consider approval of the renewal agreement with The Children's Center, Incorporated for the purpose of providing crisis respite services for the Center's Child and Adolescent Services. Term: September 1, 2017 to August 31, 2018.**

On motion by Mary Lou Flynn-Dupart, seconded by Caroline Rickaway the board voted the approval of the renewal agreement with the Children's Center, Incorporated for the purpose of providing crisis respite services for the Center's Child and Adolescent Services. The motion carried with all members voting in favor.

- q. **Consider approval of the renewal MOA with Youth Advocate Programs Inc. for the provision of specific Youth Empowerment Services (YES) Waiver program. Term: FY18 Annual Renewal No financial obligations attached.**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the renewal MOA with Youth Advocate Programs Inc. for the provision of specific Youth Empowerment Services (YES) Waiver program. The motion carried with all members voting in favor.

- r. **Consider approval of the renewal agreements listed below to provide services for the IDD Provider Services Network. Term: September 1, 2017 to August 31, 2018. Fee schedule attached.**

- Quality of Care
- Sunshine Center, Inc.
- Brazoria County Work Activity Center
- Golden Rule Services, Inc.
- All Little Things Country
- TLC-HCS

On motion by Mary Lou Flynn-Dupart, seconded by Caroline Rickaway the board voted the approval of the renewal agreements listed above to provide services for the IDD Provider



Services Network. The motion carried with all members voting in favor. Linda Coleman abstained from the vote.

- s. **Consider the approval of the below FY18 renewal agreements with identified providers for the specified Home and Community Based services (HCS). Term: September 1, 2017 to August 31, 2018**

County of Services: Identified Below, (increase from FY17 by \$1000.00)

HCS Services	Reimbursement Rate	Provider	County of Service
Dental	\$2,000 Per Plan Year	Terry Driggers, DDS	Brazoria
Dental	\$2,000 Per Plan Year	John Chaconas, DDS	Galveston

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the FY18 renewal agreements with identified providers for the specified Home and Community Based Services (HCS). The motion carried with all members voting in favor.

- t. **Consider the approval of the renewal agreement with SJ Medical Center, dba St. Joseph Medical Center for hospital and professional services related to the 20 inpatient beds in its Behavioral Health Department located in Houston, TX. Term: September 1, 2017 to August 31, 2018.**

On motion by Jaime Castro, seconded by Mary Lou Flynn-Dupart the board voted the approval of the renewal agreement with SJ Medical Center, dba St. Joseph Medical Center for hospital and professional services related to the 20 inpatient beds in its Behavioral Health Department located in Houston, TX. The motion carried with all members voting in favor.

- u. **Consider the approval of the FY18 renewal agreement with TWG Investments, LTD dba The Wood Group for a 10 bed crisis respite facility in Texas City, Texas (Galveston County). Term: September 1, 2017 to August 31, 2018. Total Amount not to exceed: \$368,740.00 (no change from FY17)**

On motion by Mary Lou Flynn-Dupart, seconded by Linda Coleman the board voted the approval of the FY18 renewal agreement with TWG Investments, LTD dba The Wood Group for a 10 bed crisis respite facility in Texas City, Texas (Galveston County). The motion carried with all members voting in favor

- v. **Consider the approval of the revenue renewal lease with TWG Investments, LTD dba The Wood Group for the premises located at 5825 E.F. Lowry Expressway, Texas City, Texas 77591. Term: September 1, 2017 to August 31, 2018. Total Amount of Revenue Lease FY18: \$19,710.000 (no change from FY17)**

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the revenue renewal lease with TWG Investments, LTD dba The Wood Group for the premises located at 5825 E.F. Lowry Expressway, Texas City, Texas 77591. The motion carried with all members voting in favor.

- w. **Consider approval of the renewal lease agreement with Educare Community Living Corporation-Gulf for office and workshop space located at 4650 Dixie Farm Road in**

Pearland. Term: month-to-month agreement September 1, 2017 to August 31, 2018 as this property is for sale. Service Area: IDD County of Service: Brazoria Annual Revenue: \$81,496.80 annual for full term of lease agreement (increase of \$2,376.80 from FY17)

On motion by Mary Lou Flynn-Dupart, seconded by Linda Coleman the board voted the approval of the renewal lease agreement with Educare Community Living Corporation-Gulf for office and workshop space located at 4650 Dixie Farm Road in Pearland. The motion carried with all members voting in favor.

- x. **Consider approval of the new contract with Janice Green (Galveston County) for the provision of respite and/or community support services/skills training for nursing facilities and mileage rates. Term: June 14, 2017 to August 31, 2017.**

REIMBURSEMENT RATE	
Respite	Standard base level = \$10/hr; Medical/Behavioral need = \$15/hr
Community Support	Standard base level = \$13/hr
Skills Training Nursing Facility	Independent Living Skills \$18/ hr
Mileage	0-5=\$3; 6-12=\$6; 13-20=\$9; 20-25=\$15; 33-40=\$18

On motion by Mary Lou Flynn-Dupart, seconded by Vivian Renfrow the board voted the approval of the new contract with Janice Green (Galveston County) for the provision of respite and/or community support services/skills training for nursing facilities and mileage rates. The motion carried with all members voting in favor.

10. Pending or Revised Action Items.....Linda Bell, JD

Pending or revised items are those items which were on a prior board agenda but not completely resolved or there has been a revision since approval. The items may be listed for update purposes or final action by the Board.

NO Pending or Revised Action Items

11. Calendar.....Jamie Travis, Board Chair

Date	Event	Time	Location
August 23, 2017	Board Meeting	6:15 pm	Angleton
August 16-19, 2017	Texas Council		Austin
September 19, 2017	Board Retreat	1:00	Mall of the Mainland, Texas City
September 19, 2017	Board Retreat-Ribbon Cutting	4:30	Mall of the Mainland, Texas City
September 27, 2017	Board Meeting	6:15 p.m.	Mall of the Mainland, Texas City
October 5-6, 2017	ETBHN Board Retreat		Moody Gardens, Galveston
October 25, 2017	Board Meeting	6:15 p.m.	Angleton

12. Executive Session: NONE

As authorized by Chapter §551.071 of the Texas Government Code, the Board of Trustees reserves the right to adjourn into Executive Session at any time during the course of this meeting to seek legal advice from its Attorney about any matters listed on the agenda.

13. Action Regarding Executive Session: NONE

14. Adjourn

There being no further business to bring before the Board of Trustees the meeting was adjourned at 8:00 p.m.

Respectfully,

Approved as to Content and Form,

Cathy Claunch-Scott

Jamie Travis

Secretary to the Board of Trustees

Board Chair



GULF COAST CENTER

FY2018 Holiday Schedule

HOLIDAY

DAY OBSERVED

Labor Day (Monday)	09/04/2017
Thanksgiving (Thursday) Please note early release at 2 pm on Wednesday the 22nd.	11/23/2017
Day after Thanksgiving (Friday)	11/24/2017
Christmas (Monday) Please note early release at 2 pm on Friday the 22nd.	12/25/2017
Day After Christmas Day (Tuesday)	12/26/2017
New Years Day (Monday)	01/01/2018
Martin Luther King Day (Monday)	01/15/2018
President's Day (Monday)	02/19/2018
Good Friday (Friday) Please note early release at 2 pm on Thursday the 29th.	03/30/2018
Memorial Day (Monday)	05/28/2018
Independence Day (Wednesday) Please note early release at 2 pm on Tuesday the 3rd.	07/04/2018

July 3, 2017

To the Board of Trustees of
The Gulf Coast Center
C/O Mr. Rick Elizondo, CFO
4444 West Main
League City, Tx. 77573

We are pleased to confirm our understanding of the services we are to provide **The Gulf Coast Center** (“**the Center**”) for the year ended August 31, 2017. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of **the Center** as of and for the year ended August 31, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement **the Center**’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to **the Center**’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management’s Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies **the Center**’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor’s report on the financial statements.

- Schedule of Expenditures of Federal and State Awards

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor’s report will not provide an opinion or any assurance on that other information.

- Introductory Section
- Statistical Section

Audit Objectives

Our audit will be conducted in accordance with:

- generally accepted auditing standards (GAAS), especially SAS 117 on compliance auditing as applied to governmental entities and recipients of financial assistance;
- *Government Auditing Standards*, issued by the Comptroller General of the United States;
- the State of Texas Uniform Grant Management Standards (UGMS);
- the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by THHSC; and the State of Texas Single Audit Circular (TSAC).

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance, and the State of Texas Single Audit Circular, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of **the Center**. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State of Texas Single Audit Circular, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State of Texas Single Audit Circular.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **the Center's** compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State of Texas Single Audit Circular requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of **the Center's** major programs. The purpose of these procedures will be to express an opinion on **the Center's** compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State of Texas Single Audit Circular.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of **the Center** in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and the State of Texas Single Audit Circular based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us

during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the State of Texas Single Audit Circular. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State of Texas Single Audit Circular; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the State of Texas Single Audit Circular; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their

issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

The Center will be responsible for ensuring that the audit report is received by the Texas Health and Human Services Commission by February 1, 2018. **The Center** is further responsible for ensuring that other appropriate governmental agencies receive copies of the audit report according to instructions in the current *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

We will provide copies of our reports to **the Center**; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Davis Kinard & Co, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oversight Agency for Audit, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Davis Kinard & Co, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Other Communications Arising from the Audit

In connection with the planning and the performance of our audit, generally accepted auditing standards require that we communicate certain matters to the Board of Trustees. We will communicate to the Board, to the extent that they come to our attention, irregularities and illegal acts that are clearly not inconsequential, and significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

In addition, to the extent they are applicable we will communicate to the Board of Trustees certain other matters related to the conduct of our audit, including:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments (recorded and unrecorded)
- Consultation by management with other accountants on significant matters
- Difficulties encountered in performing the audit
- Major issues discussed with management prior to our retention as auditor

We may also have other comments for management on matters we have observed and possible ways to improve the efficiency of your operations or other recommendations concerning the internal control structure.

With respect to these other communications, it is our practice to discuss all comments, if appropriate, with the level of management responsible for the matters prior to their communication to senior management and/or the Board of Trustees.

Schedule of the Audit

Our audit is tentatively scheduled for performance and completion as follows:

	<u>Begin</u>	<u>Complete</u>
Audit Performance Schedule:		
Planning	07/17	07/21
Interim	08/21	08/25
Year-end	10/23	10/27
Audit Communications:		
Report on Audit of Financial Statements	*	**
Other Communications:		
Internal control related matters, if any	*	**
Conduct of the Audit Matters	*	**
Other Management Comments	*	**

* - Draft will be sent to management on or before January 2, 2018.

** - We will present reports at the January 2018 Board Meeting.

Management is required to prepare the Management's Discussion and Analysis section of the report. Timely completion of this work will facilitate the conclusion of our audit. We will provide you with 50 bound copies and 1 unbound copy of the report.

L. Diane Terrell is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$57,350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for this fee will be

rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to **the Center** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Finally, please circulate a copy of the executed engagement letter to the Board of Trustees so they are informed of the planned scope and timing of the audit.

Very truly yours,

DAVIS KINARD & CO, PC



L. Diane Terrell, CPA
Audit Shareholder

RESPONSE:

This letter correctly sets forth the understanding of **The Gulf Coast Center**.

Management Signature:

Title:

Date:

Board of Trustees (Chairperson) Signature:

Date:



Greensburg Office
 Charles A. Deluzio, CPA
 Jeffrey P. Anzovino, CPA, MSA
 Joseph E. Petrillo, CPA
 Stacey A. Sanders, CPA, CSEP
 Lisa M. Altschaffl, CPA

Pittsburgh Office
 Kay L. Stonemetz, CPA, JD
 Daniel W. Wilkins, CPA

SYSTEM REVIEW REPORT

June 16, 2016

To the Shareholders of
 Davis Kinard & Co., PC
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Davis Kinard & Co., PC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Davis Kinard & Co., PC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*; *pass with deficiency(ies)* or *fail*. Davis Kinard & Co., PC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads 'Deluzio & Company LLP'.

Deluzio & Company LLP



Purchasing Program of the Education Service Center, Region 2

Interlocal Participation Agreement for the GoodBuy Purchasing Cooperative

The GoodBuy Purchasing Cooperative ("GoodBuy"), is a Purchasing Cooperative authorized by Tex. Gov't Code §§ 791.001 *et seq.* as amended, operated by the Education Service Center, Region 2 ("Region 2 ESC"), a state agency, as authorized by Tex. Educ. Code ("TEC") §8.002 and TEC §44.031(a)(4). The purpose of this Agreement is to facilitate compliance with state bidding requirements, to identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings, for Program Members. Program Members may purchase goods and services from any and all GoodBuy vendors, under the same terms, conditions, and price as stated in each GoodBuy awarded contract. GoodBuy excludes engineering, architectural, land surveyors, doctors, nurses and construction services. The purchase of goods through GoodBuy includes the purchase of any services reasonably required for the installation, operation, or maintenance of purchased goods, where such services are included in the awarded Vendor contract.

MEMBERSHIP

1. **Program Members.** Program Members must be qualifying local governmental entities of the State of Texas or another State; or qualifying private non-profit entities with tax exempt status under IRS Code Section 501(c)(3), operating private schools or child care facilities.
2. To become a Program Member requires the approval of this Agreement by the governing body of the Member, and by the Region 2 ESC Board of Directors. Each Program member must submit a copy of this Agreement signed by an authorized representative of the Member, along with a signed copy of a Resolution approved by the Program Member's governing body, to Region 2 ESC, as a condition of membership, as set forth below.
3. **Non-governmental Members.** In addition to the membership requirements set forth in Paragraph 2 above, all non-governmental entities seeking membership in GoodBuy must produce such documents as may be required from time to time by GoodBuy, to demonstrate each such non-governmental entity is eligible to become a Program Member under applicable law.
4. **Membership Term.** This Agreement shall be for one calendar year, which shall run from September 1 through August 31 of each calendar year, and shall become effective upon approval by both the Program Member's governing body, and the Region 2 ESC Board of Directors. This Agreement shall automatically renew for successive one-year terms, unless sooner terminated as provided in this Agreement. The terms and conditions of this Agreement shall apply to the initial term of Membership and all renewals, unless the terms and conditions are modified in writing, and approved by the governing body of GoodBuy, the Region 2 ESC Board of Directors. There is no fee for Program Membership.
5. **Termination of Membership.** Either the Program Member or Region 2 ESC may elect to non-renew this Agreement by sixty (60) days written notice of non-renewal delivered to the designated representative of the other party, as set forth below. This Agreement may also be terminated by either party upon thirty (30) days prior written notice to the designated representative set forth below, with or without cause. If the Program Member terminates its participation during the term of this Agreement or if GoodBuy terminates participation of the Program Member under any provision of this Article, the Program Member shall bear the full financial responsibility for any purchases by the Program Member occurring after the termination date.



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Services Provided by GoodBuy:

GoodBuy will:

- Provide the organization and administrative structure of the program, including all staff necessary for the efficient operation of the program;
- Solicit requests from Program Members for adding categories/commodities and relevant specifications, and quantity demands for goods and services that could be included in the GoodBuy program;
- Prepare specifications for procurement of goods and services to be included in the GoodBuy program;
- Publish solicitations for prices and bids from potential Vendors of goods and services to be included in the GoodBuy program;
- Qualify potential Vendors and their goods or services, based on published bid criteria, and including the conducting of due diligence of potential Vendors;
- Tabulate price quotes, unit prices, and other information provided by potential Vendors of goods and services, to determine awarded Vendors for specific goods and services;
- Making all Vendor background research information and bids, and GoodBuy awarded Vendor contract analysis information available to Program Members;
- Maintain and publish the list of all GoodBuy awarded contracts, including all relevant information about the goods and services available under each awarded Vendor contract; and
- Provide Members with procedures for ordering, delivery, and billing for Member purchases from GoodBuy vendors.

Region 2 ESC is the designated entity that shall supervise the GoodBuy performance of this Agreement.

Any written notice to the GoodBuy Purchasing Cooperative shall be made by first class mail, postage prepaid, and delivered to: GoodBuy Purchasing Cooperative, Education Service Center, Region 2, 209 N. Water St., Corpus Christi, Texas 78401-2528 or by e-mail sent and actually received by GoodBuy to a GoodBuy Relations Representative at goodbuy@esc2.net.

Member Obligations:

- Each Program Member warrants that all Vendor payments, or other disbursements required under this Agreement will be made from current revenues budgeted and available to that Member.
- Program Members commit to purchase goods and services that become part of the official GoodBuy products and services list when it is in the best interest of the member entity.
- Each Program Member agrees to prepare purchase orders or provide other documentation issued to the appropriate vendor from the official awarded Vendor list provided by GoodBuy clearly noting contract number on it, as may be required by Member policy and procedures; provide a copy of each such Purchase Order, or Member approved order confirmation, Vendor Invoice or other proof of purchase for a purchase to the GoodBuy representative no later than 60 business days of the Member purchase from a GoodBuy Vendor;
- Accept shipments of products or delivery of services ordered from vendors in accordance with standard GoodBuy purchasing procedures.



- Pay Vendors in a timely manner for all goods and services received.
- Report promptly in writing to GoodBuy any and all instances in which a Program Member has rejected goods or services delivered to the Member by any awarded GoodBuy Vendor, or has cancelled any previously approved Purchase Order or invoice Order for goods or services to be provided by any awarded GoodBuy Vendor, to the designated GoodBuy representative.
- It is also a condition precedent to the approval of this Agreement for each Program Member by the Board of Directors of Region 2 ESC, that each prospective Program Member shall designate the person or persons who have express authority to represent and bind the Program Members in the administration and operation of this Agreement, with respect to GoodBuy purchasing, and Region 2 ESC will not be obligated to contact any other individual(s) regarding GoodBuy matters. A Program Member may change the designated Member representative listed below at any time by submitting written notice to goodbuy@esc2.net.

Program Member Name: The Gulf Coast Center

Program Member Designated GoodBuy representative(s):

Name: Tom Writer
 Title: Asset Director
 Email: tomw@gulfcoastcenter.org
 Telephone: 409-944-4448
 Facsimile: 409-948-1411

Contact Information: The Gulf Coast Center
 (Address) 4352 Emmett F. Lowry Expressway
 City: Texas City
 State: Texas

The Program Member shall provide proof of goods and services purchased via any GoodBuy contract (purchase orders, monthly activity reports, order confirmations, invoices, etc.) to GoodBuy (all purchases conducted through GoodBuy Awarded Vendor contracts). These reports may be modified from time to time as deemed appropriate by GoodBuy.

GENERAL TERMS AND CONDITIONS

1. Governing Law and Venue. The Program Member and GoodBuy agree that this Agreement is governed by the law of the State of Texas and the published policies and procedures of GoodBuy. Any and all suits arising from this Agreement shall be brought in a court of competent jurisdiction and venue shall lie in Nueces County, Texas.
2. Cooperation and Access. The Program Member and GoodBuy agree that they will cooperate in compliance with any reasonable requests for information and/or records made by GoodBuy or the Program Member. GoodBuy reserves the right to audit the relevant records of any Program Member, and vice-versa.
3. Defense and Prosecution of Claims. The ESC shall not be responsible or obligated to defend any claims against the Member or prosecute any claims on behalf of the Member.
4. Legal Counsel. The Region 2 ESC shall not be responsible or obligated to provide or act as legal counsel to the Member with respect to any matter regarding this Agreement.
5. Purchase Contracts. The Region 2 ESC and GoodBuy shall not be a party to any contracts made by the Member for the purchase of goods or services with any vendor through the GoodBuy program.



6. **No Warranty.** The Region 2 ESC and/or GoodBuy does not warrant, sponsor, or endorse the goods or services of any GoodBuy Vendor.
7. It is the responsibility of the Program Member purchasing from GoodBuy awarded vendors ensure that the applicable purchasing requirements for the Member are met in accordance with all applicable local, state and federal procurement law.
8. **Mediation.** All claims and disputes arising under this Agreement shall be submitted to non-binding mediation before a neutral mediator in Nueces County, Texas, with the party demanding mediation of a claim being obligated to pay all costs and expenses of mediation.
9. **Compliance with Procurement Laws.** GoodBuy shall use its best effects to solicit prices for goods and services in compliance with all applicable laws and regulations governing purchase contracts by Members, and will keep a record of its procurement methodology for inspection by any Member. Each Member is responsible for determining, in consultation with its legal counsel, whether purchasing through this cooperative will satisfy the requirements of any applicable law or regulation governing the Program Member.
10. This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.
11. If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.
12. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of itself, its directors, officers, employees, representatives and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.
13. **THE GOODBUY PURCHASING COOPERATIVE, ITS ENDORSERS, AND SERVICING CONTRACTORS HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
14. **THE PARTIES AGREE THAT IN REGARD TO ANY AND ALL CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES**
15. **GoodBuy and Region 2 ESC, their ENDORSERS AND SERVICING CONTRACTORS, DO NOT WARRANT THAT THE OPERATION OR USE OF PROGRAM SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.**



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16. Merger: The Interlocal Participation Agreement, Board Resolution, Terms and Conditions, and General Provisions represent the complete understanding of the GoodBuy Purchasing Cooperative, and Program Member electing to participate in the Program.

17. Representation of Authorization: By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

TO BE COMPLETED BY THE GOODBUY PURCHASING COOPERATIVE, as acting on behalf of all other Program Members

By: _____ Date: _____
GoodBuy Relations Representative, Region 2 ESC

Email: _____ Telephone: _____

Facsimile: _____

(Name of Program Member)

TO BE COMPLETED BY PROGRAM MEMBER

By: _____ Date: _____
(Signature of authorized representative of Program Member)

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Fee Schedule/Payment Rate

Funding Source : GENERAL REVENUE

Community Support Services

<u>Service</u>	<u>Hrly rate</u>	<u>Timeframes</u>
• Community Support	\$13/hr	as requested

Day Habilitation

<u>Service</u>	<u>.50 unit= min. 2 hrs</u>	<u>1 unit=5 hrs direct service</u>
• Day Habilitation	\$13.50	\$27.00

Employment

<u>Service</u>	<u>1 unit per hour</u>
• Employment Assistance	\$26.50
• Supported Employment	\$26.50

Behavioral Supports

<u>Service</u>	<u>Assmt/Eval Rate</u>	<u>BCBA Session</u>	<u>Behavior Tech rate</u>
• Behavior Supports	\$315.00	\$75.00	\$25.00

Respite (non-traditional provider AND applies to behavioral /medical needs only)

<u>Service</u>	<u>Rate/Description</u>
• Respite	
○ Medical/behavioral need	\$15.00/hr up to 24 hrs per day
○ Intense Medical/behavioral need	determined on a case by case basis