

## **HOUSTON RECOVERY CENTER LGC**

### **MEETING OF BOARD OF DIRECTORS MINUTES**

July 10, 2014

The undersigned, being the duly appointed Acting Secretary of Houston Recovery Center LGC (the "Corporation"), hereby certifies that the following are true and correct Minutes of the July 10, 2014 meeting of the Board of Directors (the "Board") of the Corporation.

In a manner permitted by the Corporation's Bylaws, the meeting was called by providing all Directors with notice of the date, time, place, and purposes of the meeting more than three days before the date of the meeting.

In accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, and a notice of the meeting, was duly filed on July 7, 2014, in the same manner and location as required by law of the City of Houston, Texas (the "City").

- I. The meeting was called to order by Ms. Kay Austin, Chair of the Board, at approximately 1:00 p.m. on Thursday, July 10, 2014, in the Sobering Center Training Room, (150 N. Chenevert), Houston, Texas 77002.
- II. Ms. Austin appointed Ms. Ashley Ochoa as Acting Secretary for the meeting. Ms. Austin called the roll. The following Directors were present:
  - Kay Austin, Chair
  - Deborah Duncan
  - Arlo Weltge, MD
  - David S. Buck, MD
  - Elizabeth T. Nunnally

Mr. Leonard Kincaid, Operations Director, Ms. Ursula Williams, Legal Counsel to the Board, and Ms. Kathy Ploch, Certified Public Accountant, were also present at the meeting.

The following Directors were absent:

- David Persse, MD (ex-officio)
- Andy Icken (ex-officio)
- Timothy N. Oettmeier (ex-officio)
- Stephen Williams (ex-officio)

Ms. Austin announced that a quorum of the Directors was present.

- III. Ms. Austin noted that a draft of the Minutes of the Corporation's meeting of May 22, 2014 had been distributed to the Board. A motion was made by Dr. Weltge to approve the May 22, 2014 Minutes without modification and was seconded by Dr. Buck. Minutes were adopted by unanimous consent.
- IV. Ms. Austin opened the meeting to members of the public who wished to address the Board. There was no comment from members of the public.
- V. Ms. Austin recognized Mr. Kincaid to present a revised strategic planning and organization development for the Houston Recovery Center. Mr. Kincaid presented the revised strategic plan (Exhibit A) for discussion.

Dr. Weltge made a motion to adopt the strategic plan with additional revisions. The motion was seconded by Ms. Nunnally and approved unanimously. Dr. Weltge stated the strategic plan should be reviewed by or during June of 2015.

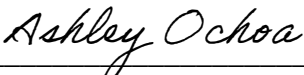
- VI. Ms. Austin noted the April and May 2014 monthly financial reports had been distributed to the Board (Exhibit B and Exhibit C, respectively). Ms. Austin recognized Ms. Ploch for a summary of the financial report. No action was taken.
- VII. Ms. Austin recognized Mr. Kincaid for the Report from Director of Operations. Mr. Kincaid presented the Client Analysis (Exhibit D) and the Dutch Shisler Service Center (sober center) Trip Summary (Exhibit E).
- VIII. Ms. Austin recognized Ms. Nunnally for the Finance Committee Report (Exhibit F). The Finance Committee reviewed proposals from auditing firms and selected the Blazek & Vetterling CPA Firm. During the May 22, 2014 Board meeting, the Board had determined the Finance Committee could select an auditing firm before the July 10, 2014 meeting. A formal motion was made by Dr. Weltge to select the Blazek & Vetterling CPA Firm. The motion was seconded by Ms. Austin and approved unanimously.

The Finance Committee presented their discussion of a one-time, 3% merit pay for employees whose performance meets or exceeds expectation and who have been with the organization for one year. Dr. Weltge moved that the Board approve a single, merit-based pay of 3% for current employees with good recommendation who had served the organization for 12 months, to be accrued from the 2013-2014 budget when funds are available. And that an additional single, merit-based bonus of 2% be paid to employees who have demonstrated superlative performance based on objective measures, also to be accrued from the 2013-2014 budget when funds are available. The motion was seconded by Ms. Nunnally and approved unanimously.

- IX. The Board discussed the next meeting, which is scheduled for Thursday, August 7, 2014 at 1 pm. Dr. Weltge requested that follow-up information on the 1115 Waiver project be included on the next agenda.
- X. Evaluation of Director (Closed Executive Session)  
Pursuant to Section 551.074(a)(a) of the Texas Government Code, the Board convened in a closed meeting at 2:30 p.m. to deliberate regarding personnel matters, specifically the annual evaluation of Mr. Leonard Kincaid, Operations Director. The Board appointed Ursula Williams Secretary for the Executive Session. Ms. Williams memorialized the closed meeting by certified agenda which will be retained in accordance with Texas Government Code § 551.103(a).
- XI. The Executive Session ended at 3:29 p.m. The Board returned to open session. Dr. Buck had to depart, however a quorum of members (Austin, Duncan, Weltge, Nunnally) remained. Dr. Weltge moved for the payment of a five-thousand dollar (\$5,000) net performance bonus for Mr. Kincaid. The motion was seconded by Ms. Nunnally and approved unanimously. Dr. Weltge made a second motion to change Mr. Kincaid's title from "Operations Director" to "Executive Director." The motion was seconded by Ms. Nunnally and approved unanimously. The Board will continue the evaluation and compensation discussions after research on the budget impact.

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By:



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Ashley Ochoa  
Acting Secretary