



HOUSTON RECOVERY CENTER LGC

MEETING OF BOARD OF DIRECTORS
MINUTES

October 18, 2012

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 October 18, 2012, meeting of the Board of Directors (the "Board") of the Corporation.

A. 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.

B. In accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, a notice of the meeting was duly filed on October 12, 2012, in the same manner and location as required by law of the City of Houston, Texas (the "City").

C. The meeting was called to order by Kay Austin, Chairman of the Board, at approximately 1:10 p.m. on Thursday, October 18, 2012, in the City Council Annex Chambers, Hall, 900 Bagby St. (Public Level), Houston, Texas 77002. Ms. Austin appointed Carolyn Lacye as Acting Secretary for the meeting. Ms. Austin called the roll. The following Directors were present:

Kay Austin; Deborah Duncan; Arlo Weltge, MD; Elizabeth T. Nunnally; and Stephen L. Williams (ex officio).

The following Directors were absent:

David S. Buck, MD; Tinoity N. Oertmeier (ex officio); and David E. Perse, MD (ex officio).

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

D. Ms. Austin noted that a draft of the Minutes of the Corporation's meeting of September 20, 2012, had been distributed to the Board. Dr. Weltge moved for approval of the said draft as the official Minutes, which motion was seconded by Ms. Nunnally. The motion passed unanimously.

E. Ms. Austin opened the meeting for public comment to the Board. There was no response from the persons present.

F. Ursula Williams, a Staff Attorney and Assistant Police Administrator for the Houston Police Department ("HPD"), briefed the Board regarding the status of efforts to obtain health insurance and other benefits for new hires of the Corporation. Ms. Williams stated that no broker is willing to provide quotes for insurance coverage until the Corporation hires at least one employee. Tom Allen, a First Assistant City Attorney for the City, suggested that under the circumstances the Corporation may choose to pay the "cobra" premiums of new employees or to hire personnel through the City's temporary services contractor, which is understood to provide health insurance. Both solutions would be temporary until the Corporation enters into its own contracts for health insurance and other benefits. Dr. Weltge recommended that the Corporation hire staff as soon as possible. Ms. Williams stated her understanding that the Corporation will be able to obtain health insurance reasonably promptly after it hires employees.

G. Ms. Duncan and Ms. Nunnally reported on the status of efforts to recruit an Operations Manager for the Sobering Center. The Board reviewed a draft of a job description for the Operations Manager position. After discussion, the Board agreed to minor revisions of the draft. On motion made by Ms. Nunnally and seconded by Dr. Weltge, the Board unanimously approved the job description as revised.

H. The Board reviewed a draft of a letter to be sent by Ms. Austin to potential referral agencies; that is, to agencies to whom clients of the Sobering Center may be referred. After discussion, the Board agreed to minor revisions of the draft. On motion made by Dr. Weltge and seconded by Ms. Duncan, the Board unanimously approved the form of the letter as revised, authorized Ms. Austin to send the letter to appropriate agencies, and also authorized Ms. Austin to prepare an information form to be enclosed with the letter.

I. At Ms. Austin's request, Mr. Allen updated the Board on the results of the Corporation's request for proposals for a banking services contract. Mr. Allen provided a written summary of the only proposal received, from Bank of Texas. After discussion, the Board unanimously approved Resolution No. 2012-001, which designated Bank of Texas as the Corporation's depository and prescribed certain procedures related to the funds of the Corporation. Mr. Allen then stated his current understanding of the process by which funds may be transferred from the City to the Corporation's account. The Board asked Mr. Allen to confer with financial personnel at HPD to determine additional steps the Corporation should take to obtain funding.

J. Mr. Allen discussed a draft of an Ordinance that, with the Board's approval, will be proposed to the Houston City Council. A copy of the draft had been distributed to the Board

prior to the meeting. If passed by City Council, the Ordinance will confirm that the Directors of the Corporation are "covered persons" within the meaning of Chapter 2, Article X, of the Code of Ordinances, with the result that the Directors will be entitled to indemnification under certain circumstances. On motion made by Dr. Weltge and seconded by Ms. Duncan, the Board unanimously approved submission of the proposed Ordinance to City Council.

K. Ms. Williams and Mr. Allen briefed the Board on their separate letters regarding concurrent legal representation of the Corporation and the City. Dr. Weltge moved to ratify Ms. Austin's agreement to both letters on behalf of the Corporation. Ms. Nunnally seconded Dr. Weltge's motion, which passed unanimously.

L. Ms. Austin recognized Dr. Weltge to discuss near- and long-term planning for the Corporation, as well as a timeline of tasks to be accomplished. Dr. Weltge summarized issues addressed at a meeting of the "operations" working group on October 16. The Board's subsequent discussion returned to the subject of the employment of the Operations Manager. On motion by Dr. Weltge, seconded by Ms. Nunnally, the Board authorized Ms. Austin to post the availability of the Operations Manager position, to communicate with communities of interest regarding same, to contact potential candidates, and to begin interviewing candidates as appropriate under the circumstances. The Board acknowledged that, to help ensure compliance with the Texas Open Meetings Act, no more than two directors should be present at any one interview.

M. Dr. Weltge led the Board in a discussion of tasks and personnel necessary before the Sobering Center accepts its first client. Dr. Weltge asked that at its next meeting the Board consider adoption of "principles for entry" for clients of the Sobering Center.

There being no further business, the meeting ADJOURNED at approximately 2:15 p.m.

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By: Carolyn Lacye

Carolyn Lacye, Acting Secretary