

Nueces Center for Mental Health and Intellectual Disabilities

BOARD OF TRUSTEES MEETING MINUTES

November 5, 2025

A regular meeting of the Board of Trustees was held November 5, 2025, at 12:00 p.m., 3733 S. Port, Corpus Christi, Texas in person and by telephonic conference via Microsoft Teams, pursuant to due notice to all members of the Board and public notices posted at the Nueces County Courthouse and Corpus Christi City Hall.

Presiding Officer: Linda Fallwell-Stover

Members Present: Jane Haas, Nancy Lechner, Jackie Caldwell, Fr. Bruce Wilson, Jimmy Rodriguez, Aaron Diaz, Dr. Carol Houston

Members Present by Microsoft Teams: Tracy Jackson

Members Absent: N/A

Ex-Officio: Debbie Dumesnil (Teams)

Staff Present: Mike Davis, Rene Mendiola, Dean Brewer, Andrea Kovarik, Gina Pena, Natalie Salas, Sean Walker, Frances Rios

Staff Present by Microsoft Teams: N/A

General Counsel: Tonya Webber

Guest/Citizen: N/A

1. **Meeting Called to Order:** L. Fallwell-Stover called the meeting to order at 12:00 p.m. and a quorum was present.
2. **Citizen Comment:** None
3. **Planning and Network Advisory Committee (PNAC) Report:**
A. Kovarik provided information regarding the August 12, 2025, Board meeting minutes, which were included in the Board packet. She reported that the meeting included a presentation on the PATH Program, outlining the coordinated entry process and how the system functions.

Additional discussion items and updates during that meeting included the Office of Inspector General (OIG) audit, Leadership changes, Access Services, Jail Program, Pathways Program, Intellectual and Developmental Disabilities (IDD) service updates, Closure of select programs, Certified Community Behavioral Health Clinic (CCBHC) updates, A presentation by Aaron Diaz on National Alliance for Mental Illness (NAMI) services.

L. Fallwell-Stover formally recognized Aaron Diaz as the newest Board member representing National Alliance for Mental Illness (NAMI).

Fr. B. Wilson acknowledged Erika Martinez as a remarkable asset to the Center. He noted that she has assumed responsibility for the coordinated entry process, which had been dysfunctional for approximately six years, and commended her leadership and efforts in improving the system.

L. Fallwell-Stover reminded the Board that during the previous meeting, Mrs. Tamez provided public comment regarding the loss of opportunities for socialization resulting from the closure of a program. She also noted that this concern would be included as an agenda item for further discussion at the January Board meeting.

4. **Discussion and possible action to approve the Planning and Network Advisory Committee minutes of August 12, 2025.**

No Discussion.

Fr. B. Wilson made a **MOTION** to approve the Planning and Network Advisory Committee minutes of August 12, 2025, as presented. Dr. C. Houston **SECONDED**. All were in favor, motion carried.

ACTION ITEMS

5. Discussion and possible action to approve status report on the Jail Diversion Center.

M. Hendrix reported that the project remains on track for substantial completion in March. Recent coordination meetings addressed several items, including concrete infill and building corrections. A delay in glass delivery was noted, which is affecting the completion of windows; however, all mechanical, electrical, plumbing, and HVAC work has been completed. Once the glass installation is finalized, work will proceed at an accelerated pace on interior finishes, including drywall, walls, flooring, and related items.

Change Order No. 10 was executed and approved, which includes framing materials and labor, security cameras, and concrete infill work. No major issues or delays were reported at this time.

The total project cost through Change Order No. 10 is \$7,837,879.34.

The Board had no questions.

N. Lechner made a **MOTION** to approve the status report on the Diversion Center as presented. J. Haas **SECONDED**. All were in favor, motion carried.

6. Discussion and possible action to approve the RFP for audit engagement and procurement of new firm.

D. Brewer reported that two firms responded to the RFP for audit services. After evaluation, the Conley Group received the highest score (97.66), compared to 89.33 for the other firm, and was approximately \$500 less expensive. Conley Group also offers relevant experience auditing similar centers and provides dedicated project management with consistent staff throughout the audit process. Due to prior audit challenges and staffing concerns noted with the other firm, we recommend proceeding with the Conley Group and request the Board approval to move forward.

Dr. C. Houston made a **MOTION** to approve the recommendation to engage with Conley Group as the audit firm and authorize staff to proceed with audit services. N. Lechner **SECONDED**. All were in favor, motion carried.

7. Discussion and possible action to approve Board Resolution authorizing CEO to sell the property (Center owned) located at 1225-1233 Agnes Street, Corpus Christi, TX 78401.

L. Fallwell-Stover clarified that the item would be presented to the Board for ratification rather than approval.

T. Jackson inquired about due diligence related to the proposed sale of a property, including whether a commercial appraisal or broker price opinion was obtained.

R. Mendiola reported that due diligence included review of district appraisal values and per-square-foot comparisons with similar properties, noting declining market values. He stated the property was purchased for approximately \$1.495 million and is under contract for \$1.4 million, which believes is fair given the property's condition and extended vacancy.

M. Davis added that selling the property "as is" avoids additional costs and risks.

T. Webber noted that the Board had previously approved listing the property without a commercial appraisal and that the current action is ratification of the executed contract.

No further questions were raised.

J. Haas made a **MOTION** to ratify the Board resolution authorizing the CEO to sell the property and to approve and ratify the executed contract. J. Caldwell **SECONDED**. The motion carried with eight (8) votes in favor and one (1) opposed (T. Jackson).

8. **Discussion and possible action to liquidate MHID's Institutional Security Corporation (ISC) Investment Account worth to prepare for known and anticipated funding shortfalls.**

M. Hendrix explained that the funds would support operational expenses, including salaries and general operations. He reported that the need for liquidation has been monitored over the past 30–45 days, following the conclusion of the single audit, and is recommended to maintain continuity of services.

D. Brewer noted that approximately \$2.8 million expected by HHSC funding has been delayed and emphasized the uncertainty of when payment would be received.

Board members discussed potential reinvestment once delayed funds are received. M. Hendrix stated that the current investment has underperformed relative to inflation and that leadership would evaluate future investment options. It was confirmed that this is the organization's only investment account.

No further questions were raised.

A Diaz made a **MOTION** to approve the liquidation of the investment account to provide funding for operational expenses and address anticipated funding shortfalls N. Lechner **SECONDED**. The motion carried unanimously.

CONSENT AGENDA

9. **Discussion and possible action to approve renewal of contract with Boon Group for employee group health insurance benefits and the ancillary products available to CCAD employees.**
10. **Discussion and possible action to ratify the CEO's execution of the Health and Human Services Commission Contract No. HHS001609500027 Money Follows the Person Grant Program for \$3,245,885.00**
11. **Discussion and possible action to approve contract pricing for 2026 renewal items with Marsh McLennan Agency for group health insurance benefits and the ancillary products available to Center employees.**
12. **Discussion and possible action to approve Interlocal Cooperation Agreement between the Nueces County Hospital District and the MHID to provide mental health and substance abuse services under the Section 534.0015(b), Texas Health and Safety Code, from October 01, 2025, to September 30, 2026.**
13. **Discussion and possible action to approve the Secretary's Report of regular meeting of September 23, 2025, and Special Called meeting of October 8, 2025.**

No questions or discussion.

J. Haas made a **MOTION** to approve items 9, 10, 11, 12, and 13, as presented, Dr. C. Houston **SECONDED**. All were in favor, motion carried.

OPERATIONS REPORT

14. **Discussion and possible action to approve the Treasurer's Reports for September 2025.**

D. Brewer presented the Treasurer's Report. Cash in bank totaled approximately \$3.3 million, with an investment balance of approximately \$2.15 million, for total operating cash of approximately \$5.4 million. Revenues for the period exceeded \$2.0 million, with expenses of approximately \$2.1 million, resulting in a modest deficit of approximately \$24,000, consistent with the current budgeting process. Outstanding billing totaled approximately \$2.2 million, and government billing decreased 8.8%, noted as a normal monthly fluctuation. PAP funding totaled approximately \$655,000. Center net worth was reported at approximately \$30 million.

N. Lechner made a **MOTION** to approve the Treasurer's Reports for September 2025 as presented, Dr. C. Houston **SECONDED**. All were in favor, motion carried.

CHIEF EXECUTIVE OFFICER'S REPORT

15. Annual Report: Human Resources

R. Mendiola presented the annual Human Resources report, noting it is provided to the Board each year to summarize workforce demographics, retention, vacancies, turnover, training, and employee recognition. Demographic information reflected gender and ethnicity of employees, with hiring based solely on qualifications.

The Center achieved a 97.52% employee retention rate, exceeding the goal of 96%. Vacancy rates remained below the 25% benchmark, ending the year at approximately 17%. Total hires and separations resulted in a net change of one position. Turnover trends aligned proportionally with staffing levels across departments, with no unusual patterns identified. Case manager turnover decreased from the prior year (39 compared to 52), reflecting continued improvement efforts.

Reasons for employee separation primarily included relocation, family or medical reasons, education, or career changes, with some former employees returning after completing education.

Workers' compensation claims returned to normal levels following a prior year spike, and only two vehicle accidents were reported despite extensive vehicle use. Training completion improved significantly, with 99% of required courses completed and 85% completed on time, exceeding the established goal.

Recruitment efforts were described as more targeted toward relevant academic programs and professional pipelines. Rene also highlighted ongoing employee recognition efforts, including department-specific appreciation events and supervisor engagement, emphasizing the importance of supporting and valuing staff.

16. Annual Report: Client's Rights:

N. Salas presented the FY25 Consumer Rights Protection Office report, which affirmed that individuals served by the Center retain full consumer rights, including confidentiality, individualized services, and participation in treatment planning, along with corresponding responsibilities.

The Center maintains a formal rights protection program with annual policy acknowledgment by staff, distribution of consumer rights handbooks to all clients, and required initial and annual training for staff, contractors, and volunteers through Texas Department of Family and Protective Services (TxDFPS), Relias, and enhanced in-person training provided by the Quality Management Department, including monthly clinical supervision and crisis/de-escalation training.

All allegations of abuse, neglect, or exploitation are reported directly to TxDFPS, which conducts investigations and determines classifications and findings. In FY25, there were three total allegations (one confirmed in Mental Health services and two unconfirmed in IDD services), all classified as Class 2, reflecting a reduction from six allegations in the prior year; the unconfirmed IDD cases involved outside incidents reported on behalf of consumers, and the confirmed case was self-reported by the Center.

Also noted that increased, more robust training, follow-up, and implementation efforts have contributed to reduced allegations.

17. Annual Report: Compliance

A Kovarik presented on FY25 Compliance report, noting that the Center's Healthcare Provider Compliance Policy, adopted in 1999 and last reviewed in 2022, continues to guide a formal compliance program focused on adherence to Medicare and Medicaid standards, accurate billing, reporting mechanisms, voluntary disclosure, and disciplinary action for violations.

The program includes an organizational code of ethics signed by employees upon hire and annually, and by contractors upon initiation and renewal of contracts, along with ongoing compliance training at hire and annually, unit-level education, internal compliance reviews, and monitoring of productivity standards.

The Compliance Committee operates within quarterly Utilization Management Committee meetings and includes executive leadership, clinical, quality, and service directors, and is responsible for identifying high-risk billing and contract areas, overseeing internal and external audits, implementing corrective actions, and recommending policy revisions.

For FY25, billing reviews identified errors totaling \$2,826, which were fully repaid, demonstrating effective detection and correction processes.

Chart reviews are conducted monthly, with 10 clinical charts per unit reviewed by utilization management staff, supervisors, directors, and trained staff auditors using the Center's EHR and state reporting systems, supporting proactive compliance monitoring and continuous improvement.

INFORMATIONAL/DISCUSSION ITEMS

18. **Community collaborative status update.**

19. **Update on Coastal Bend Day of Giving (CBDOG) November 04, 2025.**

M. Davis provided an update on monies collected will be used to purchase two vehicles for the Center.

20. **Waiver Interest List for Nueces County.**

21. **Board of Trustees Attendance Calendar and dates for renewal of membership (handout).**

Fr. Bruce Wilson announced that he will be moving to Austin and formally resigned from the Board of Trustees. Linda Fallwell-Stover noted that his resignation creates a vacancy on the Board, which will be addressed in accordance with the Board's formal disengagement and appointment process.

22. **Board requests for discussion or educational items for future agenda.**

M. Davis requested that Board members email any proposed agenda items or presentation requests for the January Board meeting.

23. **Meeting Adjourned.**

Dr. C. Houston made a MOTION to adjourn; J. Haas SECONDED. The meeting adjourned at 1:28 p.m.

Dr. C. A. Houston

Secretary

1-28-2026

Date

APPROVAL CERTIFICATION AND AUTHENTICATION