

HIGHLAND RIVERS HEALTH  
BOARD OF DIRECTORS MEETING  
December 9, 2014  
Highland Rivers Health – Bartow Recovery Center  
650 Joe Frank Harris Parkway, Cartersville, GA 30120

MINUTES

**Members Present:** Chantel Adams, Linda Crawford, Bill Fann, Carol Franklin, Jim Mehaffey, Jean Smilie, Faye Ward, Allen Wigington, Interim CEO Melanie Dallas

**Members Absent:** Jonathan Blackmon, Lori Rakes, Rhonda Wallace, Donna Whitener, Zab Mendez, Nancy Wood

**Staff Present:** Candice Baldwin, Georgia Bennett, Melissa Stone, Stephanie Collum, Mark Phillips, Kathleen Varda

**Legal Counsel:** Jim Catanzaro

**1. CALL TO ORDER**

Chairwoman Carol Franklin called the meeting to order at 10:30 AM.

**2. APPROVAL OF AGENDA**

The agenda was approved as presented on unanimous vote of motion by Allen Wigington and second by Linda Crawford.

**3. APPROVAL OF OCTOBER 28, 2014 MINUTES**

Minutes were approved as presented on unanimous vote of motion by Allen Wigington and second by Chantel Adams.

**a. APPROVAL OF NOVEMBER 10, 2014 MINUTES**

Minutes were approved as presented on unanimous vote of motion by Chantel Adams and second by Allen Wigington.

**4. EXECUTIVE SESSION**

On unanimous vote of motion by Allen Wigington and second by Jean Smilie, the Board convened in executive session to consult with legal counsel pertaining to pending or potential litigation, settlement, claim, administrative procedure, or other judicial actions involving Highland Rivers; to discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or performance of an employee; and, to discuss the future acquisition of real estate.

**5. RECONVENTION OF REGULAR SESSION**

**a. Appointment of Chief Executive Officer Search Committee**

Allen Wigington motioned for Chair Carol Franklin to appoint a committee to begin the search for a Chief Executive Officer. He asked that the committee be directed to follow

the guidance of the documentation provided for the search. Chair Carol Franklin asked for volunteers for the committee.

**ACTION:** Chair Carol Franklin, Jean Smilie, and Allen Wigington volunteered to be a part of the Selection Committee.

**b. RESOURCE COUNCIL RECOMMENDATION**

Allen Wigington motioned for the Chairwoman to be given the authority to work with Legal Counsel to conduct a Deed and Title search on the properties being gifted to Highland Rivers by the Resource Council.

**ACTION:** The Chair Carol Franklin was given the authority to work with Legal Counsel to conduct a Deed and Title search on unanimous vote of motion by Jean Smilie and second by Linda Crawford.

**c. DBHDD CHALLENGE GRANT**

Allen Wigington motioned that the Board approve for Interim CEO Melanie Dallas to complete a Department of Behavioral Health and Developmental Disabilities Challenge Grant. He stated that the grant would be to research the viability of establishing an Administrative Services Organization through partnership with Lookout Mountain Community Services.

**ACTION:** The Board on unanimous vote of motion by Allen Wigington and second by Bill Fann approved for Melanie Dallas, Interim CEO, to apply for the Department of Behavioral Health and Developmental Disabilities Challenge Grant.

**6. INTERIM CEO REPORT**

Interim CEO Melanie Dallas began her report with discussion on Highland Rivers' organizational priorities. She stated that this is "not a time to slow down." She stated that there are three organizational priorities being focused on at this time: 1) staff culture, 2) financial health, and 3) movement towards Core Redesign. She described the efforts being taken to meet these priorities. These efforts include increasing training for staff and putting steps into place to ensure continued financial stability. The biggest item on the horizon from a Core Redesign aspect is the new Performance Monitoring Report (PMR) that is due to the Department of Behavioral Health and Developmental Disabilities by the end of December. She stated that the PMR is a self-assessment tool that Highland Rivers completes and sends in for review. Melanie pointed out that the "days cash on hand" will be the item that lowers the overall score for the agency.

Melanie went on to discuss the successful ribbon cuttings for the Highland Rivers Health Recovery & Wellness Center in Gilmer County and the Highland Recovery Center in Pickens County. She stated that both events were wonderful. She pointed out that Jean Smilie did an excellent job introducing the speaker at the event in Gilmer County. She also stated that Allen Wigington gave an excellent opening address at the event in Pickens County. Allen Wigington stated that Kathleen Varda did "a fabulous job" developing the talking points for his address.

A farewell party was given for CEO Jason Bearden in November, Melanie stated. The party went well and Jason was rendered "speechless." Chantel Adams added that it was a "very fun day" and Jason

brought Highland Rivers to a “really healthy place.” Melanie stated that she has scheduled time with Jason for next week to talk about the future and ValueOptions.

Melanie invited the Board to be a part of Mental Health Day at the Capital on Tuesday, January 20<sup>th</sup>. This is a good time for Highland Rivers to speak with legislators and try to affect change. The Board was also invited to Community Service Board Day at the Capital on Thursday, February 12<sup>th</sup>. She encouraged all Board members to participate if possible. She stated that meetings will be set up with members of the legislature. It is important to have a voice. Allen Wigington suggested that the meetings be set up before session starts as it might be easier to get the time scheduled for the meetings.

Due to the transition period with the CEO position, Melanie informed the Board that the current strategic plan will be extended for 6 months. She would like to hold a one day planning retreat. She stated that two dates have been identified. She asked that board members look at their calendars and let Kathleen Varda know which day is best for them. She stated it would be good if all board members could attend.

It was requested that Kathleen Varda give an update on the One Door Polk project. Kathleen stated that she and Bill Fann had met last week to discuss the project. The question asked during the meeting was, “Where do we go from here?” She stated that from a financial standpoint Foundations are a “little dry” this fall. The project is moving a little slower than anticipated. She stated that a group of ladies is meeting on December 10<sup>th</sup> to put together a plan for 2015. The project is getting good State and National feedback.

Melanie and Braxton Cotton (State Board of Pardons and Paroles) met last week to discuss the CSB role in re-entry into the community. Mr. Cotton asked that a white paper be put together on what CSBs need. It was also decided that another meeting would be set up to discuss the relationship between Pardons and Parole and Highland Rivers.

## **7. CFO REPORT**

CFO Mark Phillips reported that he had to go back and restate September 2014 financials. He stated that he had previously suspected that the conversion to the new system may have left off some transactions. He researched and found that, in fact, transactions had been left off. He stated this actually improved the financial results for September 2014 from a net income of \$323,207 to a net income of \$783,658. This is a positive variance of \$460,451 over the previously reported September YTD results.

For the first four months of the year ending October 31<sup>st</sup> financials reflect a positive net income of \$1.093 million compared to the budgeted amount of \$296,814. This is a positive variance of \$796,554, Mark stated. The favorable net income is attributable to several factors:

- The crisis unit received a contract amendment in the last half of 2014. This amendment added to the total funding for the crisis unit for 2015.
- Highland Recovery Center made a profit for the first four months of operation. This is due to receiving contract funding since the beginning of the fiscal year but expenses have lagged since the program is not yet fully staffed.
- Highland Rivers was awarded an Intensive Residential Treatment (ITR) contract that increased our revenue but is not yet fully staffed or operational.

- The State awarded \$611,000 for engagement specialists that have not been hired to date. This contract is effective October 2014.

Mark noted that the Outpatient Clinics have lost \$408,000 for the four months ended October 31st. However, this is half the amount that was lost last year. Melanie stated this can be attributed to increased productivity in the clinics from 56% to 81%. Mark informed the Board that there will be a "hit" to the financials in the near future, possibly starting in December. He stated this is due to three factors: 1) general repairs performed on properties, 2) costs associated with the recruitment of physicians, and 3) major repairs on the roof at the Residential Treatment Unit in Cedartown.

Mark stated that operating cash as of October 31<sup>st</sup> is \$813,000 compared to the September 30<sup>th</sup> balance of \$1.37 million. He stated the decrease is due to October being a three paycheck month for contracted staff.

Allen Wigington pointed out that this is the first time since he began with the Board that the Total Liabilities & Net Assets has been a positive number. Jean Smilie stated she wanted to commend the CFO and that "we are blessed to have Mark."

Mark informed the Board that the financial audit conducted by Robert Baker has been completed. It was a "very clean" audit. Mr. Baker will be lifting the "on-going concern" opinion. This can be attributed to several factors but primarily due to the successful campaign to pay off CMS debt and the upcoming acquisition of the Resource Council properties. These moves will increase Highland Rivers' net assets balance to a positive amount.

Mark directed the member's attention to the Department of Behavioral Health and Developmental Disabilities policies included in the packet. The policies include Financial Audits Practice (04-203) and Fiscal Standards and Practices (04-202). The policies are being reviewed by the GACSB Accounting Standards Work Group appointed by the CSB Association. He stated that there are many issues with the policies. One particular issue involves the public posting of unaudited financials. He stated that the Work Group is requesting that CSBs not be required to post this information and that the language be changed to "if you need more information contact this person." The policies also reference ensuring that there is a "robust exchange of information" between administration and the Board. Mark stated this would involve education for the Board on in-depth financial practices. In order to help in this area, he will be compiling forms to help explain the meaning of terms and processes. He stated that he will bring more information to the next meeting.

#### **8. CORPORATE COMPLIANCE REPORT**

Corporate Compliance Committee Chairman Allen Wigington reported there was no action taken or issues to discuss concerning the meeting. The committee discussed that the compliance report was very large due to the inclusion of the Policy Matrix. CCO Stephanie Collum has worked to find a way to alleviate this problem. It has been decided that members will have access to a shared drive on the network that allows each member to view the Matrix. Stephanie will be coordinating this effort.

#### **9. BOARD WORK GROUP REPORTS**

- Cultivate Visibility and Awareness of Highland Rivers Health to Improve Access to Care – Chair Jean Smiley requested updates from the Board. She stated she has not received any feedback. She discussed that there are three ideas for ensuring Highland Rivers is known in the

communities it serves. The first idea she discussed was ensuring Highland Rivers is a member of the Chamber of Commerce in the counties served. Kathleen Varda stated that the packet for Ellijay has been sent to accounting for a check to be cut for payment. The packet will then be sent to the Chamber. The second idea includes ensuring there are Highland Rivers' brochures in hospitals, doctor offices, and churches. She stated these need to get out there. The final idea includes the possibility of having information placed on the ETC Channel. Her local bank streams the channel on a screen in the lobby. She stated that ideas involving awareness of Highland Rivers are very important as she still runs into people who have never heard of Highland Rivers.

Kathleen Varda also added that marketing materials will be changing. The brochures and other items are being revamped. She stated that the radio interviews have been a success. Staff have reported that some consumers have reported hearing about Highland Rivers' services on the radio. She requested that board members let her know of any contacts they may have in the community so she can try to meet with the contacts.

- Evaluate Work to Be Done for Board to Be CARF Certified – Chair Carol Franklin said committee members have not been able to meet together to do a review. However, she does not believe the Board will have trouble being certified. She stated everything will just need to be more formalized. Allen Wigington stated that there is a Board Self-Assessment that will be sent out to all board members. The assessment is one step in becoming certified. Stephanie asked that these assessments be completed and sent to Melissa Stone. Once all assessments are returned the results will be tallied.
- Other work groups are still in the organizational stages.

## **10. REVISION OF BYLAWS**

Allen Wigington reported that there will be significant changes to the bylaws. He stated the following questions need to be answered before the revisions begin: "Who are we?" and "What do we do?" He stated that the GA CSB Association needs to ask the Attorney General for a formal opinion on whether Community Service Boards are a state entity. The best course of action is for the Association to go to the top (Attorney General). He stated if the Association will not do so he will come back to the Board and ask for Highland Rivers to take this step without the Association.

## **11. PUBLIC COMMENT**

Allen Wigington stated that the website is not up-to-date. Kathleen Varda stated that Highland Rivers is in the process of finding a new, reasonably priced provider to perform this service. Chair Carol Franklin suggested the possibility of finding a college student who needs some part-time work. Bill Fann suggested contacting Georgia Northwestern Technical College.

It was suggested that a press release and headshot be put in the local papers on Melanie Dallas. This could include a quote from the board member for the county in which the paper is located.

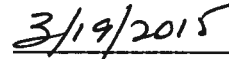
Interim CEO Melanie Dallas presented Georgia Bennett with flowers and gifts from the Board and Highland Rivers for her retirement. She stated that Georgia has a "gentle spirit and kind words" for everyone. The Board concurred that Georgia will be missed and reiterated how much she is appreciated.

**12. ADJOURNMENT**

The meeting was adjourned on unanimous vote of motion by Jean Smilie and second by Allen Wigington.

During lunch, members heard a heartfelt story from one of the staff at the Pickens Intensive Residential program. The story chronicled his struggles and triumphs on his way to long term recovery. His passion and dedication to the people he serves was heartfelt and inspiring.

  
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Carol Franklin, Board Chair

  
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Date