

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
PERMIAN BASIN COMMUNITY CENTERS**

The regular monthly meeting of the Board of Trustees of the Permian Basin Community Centers was held January 16, 2018, at the Atmos Energy Corporation's Fischer Community Room, 2304 Loop 40 (behind the Post Office at Midland International Airport) Midland, Texas.

Board officers present were John Landgraf, Chair; Janet Pritchett, Vice Chair; Larry Edgerton, Treasurer and Gus Ortega, Secretary.

Board members present were LaDoyce Lambert, Trisha Nelson and Margaret Jones.

Board members absent were Barbara Yarbrough and Frank Rodriguez.

Staff members present were Ramona Thomas, Chief Executive Officer; Chris Barnhill, Chief Financial Officer; Jill Stephens, Human Resources Director; Joshua Alaniz, Director of Resource Development; Megan Newman, QM Coordinator; Malissa Roach, Autism Program Director and Elsa Garcia, Executive Assistant. Guests present were Cara Hilbrich of Eide Bailly, LLP and Bridget, mother of a client in our Autism Program.

I. CALL MEETING TO ORDER

Chair Landgraf called the meeting to order at 3:31 p.m.

II. CHAIR'S REPORT

Chair Landgraf reminded members of upcoming items for the February meeting.

III. PRESENTATIONS/TRAINING

- PBCC's Autism Program

Malissa Roach, the Autism Program Director for Permian Basin Community Centers presented the training along with one of the mothers of the program, Bridget.

The following were some of the key points of her presentation:

- Autism disorder is the fastest growing serious development disability, affecting an estimated 1 out of 68 children in the United States. With this number growing at a

significant rate, there continues to be an unmet need for services.

- The Autism Program provides services for up to 6 hours per week for each child but state rules limit these services to only 6 months at a time.
- PBCC is 1 of only 20 providers in Texas that participates in the State's Autism Program.

Bridget told of her son's challenges and the amazing progress he has made with the help of this program.

IX. OTHER BUSINESS

1. *Finance Committee - Presentation of Annual Financial Audit*

Cara Hilbrich of Eide Bailly, LLP, reported she met with the Board's Finance Committee on January 9th and reviewed the annual audit report with them in detail. A copy of this annual audit was distributed to the Board prior to the meeting, and included the "Summary of Auditor's Results", which showed:

- An unmodified opinion was issued on the basic financial statements.
- No material weaknesses or significant deficiencies in internal control related to the financial statements.
- No instances of noncompliance with laws, regulations, contracts and grants that would-be material to the financial statements.
- No material weaknesses or significant deficiencies in internal control over compliance with major federal and state programs.
- An unmodified opinion was issued on compliance with major federal and state programs.
- No findings reported relative to major federal or state award programs.
- PBCC was considered a low-risk auditee.

Ms. Hilbrich pointed out that PBCC's staff did an exceptional job, and that the Board could rely on the financial statements staff provided to them monthly. Larry Edgerton reported that the Finance Committee had conducted a detailed review of the audit.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to approve Fiscal Year 2017 Financial Audit as presented by Eide Bailly, LLP, and recommended by the Finance Committee.

IV. CONSENT AGENDA

The Consent Agenda was distributed to all members prior to the meeting. Chair Landgraf asked if there were any requests to remove items for discussion. Hearing none, he requested a motion approving the Consent Agenda as follows:

1. Minutes of the last meeting
2. Chief Executive Officer's Activity Report
3. Community Relations Report

A/M/S (Ortega/Jones) (Unanimous)

Motion to approve the consent agenda as presented.

V. CEO Report on the Status of the 1115 Waiver

CEO Thomas reported that the 1115 Waiver was officially extended. The funding will remain intact through September 2019, but will be reduced 6% the next year, and 14% the following year. There will be zero funding after September 30, 2021. The hospitals will continue to receive about 75% of what is funded currently for Uncompensated Care through 2022.

While the eventual termination of Federal 1115 Waiver funds is not good news, it was expected, and the Texas Council continues to explore other alternative funding options. PBCC will consider this phase-out in future budget decisions. PBCC currently receives over \$3 million annually through this Medicaid Waiver source.

A/M/S (Jones/Nelson) (Unanimous)

Motion to accept the CEO Report.

VI. TREASURER'S REPORT

The Treasurer's Report for the month of November was distributed to all members prior to the meeting and the December report was distributed at the meeting. Treasurer Edgerton reviewed the reports.

A/M/S (Ortega/Ladoyce) (Unanimous)

Motion to accept the Treasurer's Report subject to audit.

VII. TEXAS COUNCIL OF COMMUNITY CENTERS' REPORT

Texas Council Representative Jones reported that the next meeting of the Texas Council of Community Centers' Board will be January 20th.

VIII. TEXAS COUNCIL RISK MANAGEMENT FUND'S MEETINGS AND INFORMATION

Risk Management Fund Representative Lambert reported that the next meeting will be February 2.

IX. OTHER BUSINESS

2. Finance Committee - UBS-Greathouse Trust Review

This item was distributed to all members prior to the meeting and was presented to the Finance Committee at their January 9th meeting by Dan Michel of UBS Financial Services. No changes to the asset allocation are recommended.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to approve the review of the Greathouse Trust performance, with no changes in asset allocation, as recommended by the Finance Committee.

3. Finance Committee – Post-Employment Benefit (OPEB) Trust Review

The Milliman Investment Performance Review was distributed to all members prior to the meeting. CFO Barnhill reviewed and discussed the report with the group. This had been reviewed by the Finance Committee during their January 9th, meeting with no changes proposed.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to approve the review of the Post Employment Benefit (OPEB) Trust as recommended by the Finance Committee.

4. Finance Committee - Review of Form 990, Tax Return of Organization Exempt from Income Tax

This item was distributed to all members prior to the meeting. CFO Barnhill reviewed the 990 Tax Return for tax year 2016. All numbers are reconciled to the FY 2017 Fiscal Audit previously reviewed. The Finance Committee reviewed the informational return at their meeting on January 9th and recommended approval.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to accept PBCC's IRS Form 990, Return of Organization Exempt from Income Tax, for the 2016 tax year as presented by staff and recommended by the Finance Committee.

5. Finance Committee – Budget Revision - Fiscal Year 2018

This item was distributed to all members prior to the meeting. CFO Chris Barnhill reviewed the proposed revisions. The Finance Committee reviewed this at their meeting on January 9th and recommended approval.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to approve Fiscal year 2018 budget revisions as presented by staff and recommended by the Finance Committee.

6. Finance Committee – Approval of Bids for the replacement of the roof at Turning Point

Chief Financial Officer Barnhill distributed information on the approval of proposals to replace the Turning Point Roof and reviewed it with the group.

A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to accept the proposals provided for the Turning Point Roof Replacement RFP, with award of the contract to Hartman Roofing – as presented by staff and recommended by the Finance Committee.

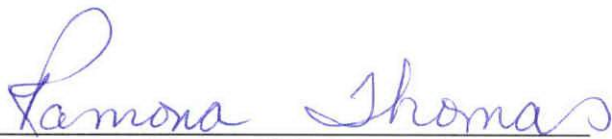
7. Finance Committee – Fiscal Year 2018 GASB 54 Fund Balance Commitments

Chief Financial Officer Barnhill distributed the Fund Balance Commitments with the accompanying Board Resolution and reviewed it with the group.

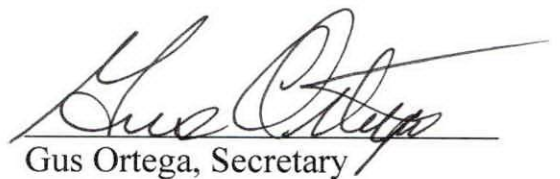
A/M/S (Edgerton for the Finance Committee) (Unanimous)

Motion to approve the Resolution, in keeping with Board Policy 4.02.03.00 Fund Balance, as proposed by staff and recommended by the Finance Committee.

There being no further business, Chair Landgraf adjourned the meeting at 4:56 p.m.



Ramona Thomas Chief Executive Officer



Gus Ortega, Secretary