

**Denton County MHMR Center
Board of Trustees Meeting Minutes
Monday, June 27, 2022**

Trustees Present	Trustees Absent	Staff Present	Guests Present
Rhonda Dick		Veronica Armendariz	Pamela Beach
Patti Dunn		Josie Ciccone	Brooke Hambrick
Barbara Gailey		Michelle Conrad	LaCobra Wolf
Dianne Hickey		Pam Gutierrez	Todd Weill
Linda Holloway		Dallas Hamilton	
Doug Lee		Tashina Landis	
Jack Phillips		Jennifer Meyer	
Douglas Reuter		Lauren Titsworth	
Melanie Royer		Dr. Meena Vyas	
Kelly Sayre		Taylor Warren	
Judi Swayne		Wesley Warren	
		Brittany Waymack	
		Ritch Wright	

I. Call to Order

A. Roll Call

B. Welcome to Guests and Staff

Barbara Gailey, Chair, called the regularly scheduled meeting of the Denton County MHMR Center Board of Trustees to order at 7:00 p.m. in the boardroom of Denton County MHMR Center, 2519 Scripture Street, Denton, Texas. Barbara Gailey welcomed guests and staff.

C. Public Comments – LaCobra Wolf

Topic of Discussion: Community

D. Approval of Regularly Scheduled Board of Trustees Meeting Minutes

The Board of Trustees reviewed the Minutes of the regularly scheduled meeting, May 26, 2022.

Board Action: Dianne Hickey made a motion for the Board to approve the Minutes of the Board of Trustees Meeting , May 26, 2022, as written. Patti Dunn seconded the motion, which passed unanimously.

E. Staff Presentation: Annual Board Training

Pamela Beach, Attorney, Texas Council Risk Management

II. Committee Reports

Finance Committee

A. FY 2022 Period 9 (May) Financial Statements

In May 2022, revenue exceeded expenditures by \$362,377. The budget for May 2022 is an excess of \$4,714. Year-to-date (YTD) through May 2022 revenue exceeded expenditures by \$2,875,560. The budget YTD through May 2022 is a loss of \$104,606.

Board Action: Dianne Hickey made a motion for the Board to accept the Financial Statements for the period ending in May 2022, which passed unanimously. A “second” was not required since the primary motion was made by the Finance Committee.

Personnel Committee

B. Review and Approval of New Position:

Consumer Services Representative PRN – FTE 0.375 – \$13/hr

Board Action: Rhonda Dick made a motion for the Board to approve the new position, Consumer Services Representative PRN, which passed unanimously. A “second” was not required since the primary motion was made by the Personnel Committee.

III. Other Agenda Items

A. Review of Board of Trustee Bylaws – Item IV: Organizational Philosophy, Section C.4.

Board Action: Board Chair requested Agenda Item III.A – Review of Board of Trustee Bylaws – Item IV: Organizational Philosophy, Section C.4. be moved under Agenda Item VII – Executive Session.

B. Organizational Chart Update – Addition of Grant Development Specialist

Board Action: Linda Holloway made a motion for the Board to approve the Organizational Chart Update – Grant Development Specialist. Rhonda Dick seconded the motion, which passed unanimously.

C. Zero Suicide Task Force update only

Board Action: Discussion item only, no action needed

D. Abuse & Neglect/Critical Incidents report

Board Action: Discussion item only, no action needed

IV. Executive Director Report

- HCS Interest List is currently at 2927.
- GR Interest List is at 217.
- Mental Health Adult Wait List continues at 0.
- Child and Adolescent Wait List continues at 0.
- In July Board Policies will be on the agenda for Board review and approval. All Policies will be sent to the Board by the July 14, 2022, with any revisions.
- Discussion –
 - On April 28, 2022, the Board of Trustees meet for a regularly scheduled in-person board meeting which included an Executive Session regarding the Executive Director's Performance Evaluation that had been completed at the February 28, 2022, board meeting and a revision to the Executive Director's contract. ED attended virtually from Austin.
 - At 8:15 the Board of Trustees went into Executive Session regarding the Executive Director contract. The board chair, Barbara Gailey was to contact the Executive Director when it was time for me to come into the executive session, this did not occur.
 - At 10:09 PM, I contacted Taylor Brown, my executive assistant, to determine if the board of trustees was still in executive session but she told me that the board ended the meeting at 9:15 pm.
 - Executive Director emailed the board chair, Barbara Gailey and reminded her of the protocol for an executive session and asked Ms. Gailey to contact me about the meeting. Executive Director received no response. Executive Director also contacted several board members by phone about the outcome of the meeting, but no board member returned my calls. Executive Director later found out that Ms. Gailey had told the entire board they were "sworn to secrecy" and the board could not speak to the Executive Director.
 - The Executive Director called Ms. Gailey the following morning on the way home from Austin and Ms. Gailey answered the phone. Executive Director asked Ms. Gailey if there was a reason the Executive Director was not contacted to return to executive or open session, Ms. Gailey stated, that she was sorry, she should have let the Executive Director know. The Executive Director asked Ms. Gailey if there was a reason for this and Ms. Gailey responded, "there is an issue." Executive Director asked Ms. Gailey what she was referring to and Ms. Gailey stated, "there is an allegation, but Ms. Gailey was not at liberty to discuss the issue with the Executive Director and that Ms. Gailey would discuss it with the Executive Director when Ms. Gailey was ready to discuss it." Executive Director asked Ms. Gailey if she knew when that would be, and Ms. Gailey stated, when she was ready to. Executive Director then asked Ms. Gailey, if Executive Director was to continue working in my current capacity and Ms. Gailey said, "well of course you need to."

- The Executive Director continues not to have formally been advised by the board chair or committee of the board of any allegations. However, I was contacted by a County Commissioner and advised that Mrs. Gailey contacted the County Commissioners and Judge Eads prior to our board meeting on May 26, 2022, and the County Commissioner advised the Executive Director that Ms. Gailey informed the Commissioner and Judge of Denton County that there was an allegation of fraud concerning, securing a loan under the Paycheck Protection Program (PPP) that the Executive Director had obtained a loan for. In addition, Ms. Gailey advised the Commissioner and Judge of Denton County that the Executive Director had stolen a million dollars from the PPP loan that the Center had applied for with Inwood Bank. (See Letter from Inwood Bank.)
- As the Board has previously been informed, in April of 2021 the Center made application for the Paycheck Protection Program Loan. Cole Denbow, Chief Financial Officer (CFO) completed the PPP application and the center's loan was approved. Mr. Denbow made an error and made application for \$4,658,487.32 instead of the actual loan amount for \$3,505,482. The additional money was reduced from the loan and is in the loan document from Inwood Bank.
- The Loan was submitted on April 30, 2020, because all applications had a set date range to apply for the loan and the Center applied for the loan during the narrow window of time. Because the Center only had a week's window of time to apply for the loan and through discussion with Barbara Gailey, Dianne Hickey, and Cole Denbow, the Center's Attorney, Pam Beach, the Center's Auditor, Tommy Nelson, and with permission from Mrs. Gailey, the Center applied for the loan during the window of time, April 30, 2020, and then brought the loan to the Board for approval at a special called board meeting, on May 5, 2020. If the board did not approve the loan, the Center could pay the loan back in its entirety. Mrs. Gailey agreed, and the loan application was submitted. A special board meeting was scheduled for May 5, 2020, to discuss and approve the PPP loan. (Enclosed Special Called Board Meeting Minutes from May 5, 2020).
- The County Commissioner also informed the Executive Director that there was an additional allegation that the Executive Director did not provide the bylaws to the board. See January 27, 2022, Board minutes, bylaws were provided to the board as well as the proposed bylaws from May 26, 2022, Board Meeting. In addition, the board receives a copy of the bylaws when each member receives board education.
- Ms. Gailey further alleged that the Executive Director did not notify the board of deaths of clients. However, all deaths are reported in every board meeting by the Administrator of Quality Management in the comprehensive Incident Reporting and the Chief Operating Officer also provides a Zero Suicide Taskforce report, at every board meeting, this report provides all the suicides by month, age, race, sex, method, city. (Incident Reporting Enclosed and Zero Suicide Board Presentation enclosed, both are again presented monthly to the board.)
- Mrs. Gailey alleged that the Executive Directive withheld information about the death of client BS from Ms. Gailey and the board however, I had provided all the information I have to Ms. Gailey within an hour of my knowledge of the death of BS on March 11, 2022. Ms. Gailey did not advise any of the board that she had this information.

- I advised Mrs. Gailey on March 11, 2022, of the death of BS's and that the Center had contacted the appropriate authorities as required, including BS's guardian, the Health and Human Services Commission (HHSC) and the Denton Police department. She and I further discussed that the medical examiner would be performing an autopsy however, it can take a significant amount of time to receive the autopsy.
- Ms. Gailey alleged that I gave a staff a bonus of \$25,000. This is false. The board authorizes all incentives that are provided to staff.
- Ms. Gailey is alleging that I removed her from signing Center documents, however Ms. Gailey came to the Center to sign several documents in approximately February of this year, because she could not access her docu-sign. While signing these items we discussed that Ms. Gailey would be removed from Policy-stat only, because Ms. Gailey is not able to sign the Policy- Stat items and Ms. Gaily does not need to sign the policies, the entire board approves all policies. To this date Ms. Gailey receives and signs all additional Center documents.
- On June 13, 2022, Ms. Gailey sent a request to one board member, Doug Reuter, and the following staff: Taylor Warren Josie Ciccone, Humera Bhaidani, Lauren Titsworth, Ritch Wright. Ms. Gailey disclosed protected personnel information regarding the Executive Director from a Closed Executive Session that only the person that Executive Session was pertaining too has the legal authority to release information about.
- "A copy of the anonymous letter sent to Mary Horn, Denton County Judge and a copy of the report the attorney completed for the Investigation hired by the Board to investigate the allegations."
- The Executive Director responded to Ms. Gailey with the following: In reference to item # 6, the anonymous letter that was sent to Mary Horn, Denton County Judge, and a copy of the report the attorney completed for the Investigation that was hired by Ms. Gailey, to investigate the allegations against the Executive Director, all allegations were fully investigated by an attorney of Ms. Gailey's choice and the report was provided upon completion to Ms. Gailey. The allegations were cleared by the attorney, and Ms. Gailey advised the remainder of the board in the board meeting that the allegation were unfounded. Then in the board meeting Ms. Gailey recommended to the board that my salary and benefits were cut in half. The Executive Director stood up in this meeting and advised Ms. Gailey and the board that if this was how Ms. Gailey and the board felt that I would resign effective immediately. Board member, Betty Meyers stood up, grabbed both of the Executive Director's arms, and advised the Executive Director and the rest of the Board, that "The Board of Trustees was not aware that Ms. Gailey was going to make these recommendations and none of rest of the board agreed with anything that the Board Chair was recommending." Then Ms. Meyers and the remainder of the Board asked the Executive Director "what did the Executive Director need at this point in time." The Executive Director then stated to the board that the Executive Director was asking for "dignity and respect." The Board Chair, Barbara Gailey, then stated that she was just looking

out for the citizens of Denton County. Ms. Meyers and the remainder of the Board advised the Executive Director that Ms. Gailey was one vote on the board and did not represent the entire board or speak for the board. Judi Swayne expressed that she did not agree with anything that Ms. Gailey had recommended. Ms. Swayne also stated that she was sorry that the Executive Director had to go through this. Ms. Bettye Myers then recommended that the Executive Directive receive a salary increase. The remainder of the board concurred with this recommendation for the Executive to receive the salary increase.

- 988 begins in July 2022 however, the regular Crisis Hotline will continue to be available, 1(800) 762-0157.
- Dianne Hickey, Wesley Warren and his staff and I meet with Lee Johnson, Deputy Director with the Texas Council regarding the appropriation and release of additional Interest List beds in Denton County. Together Dianne and I will be meeting with our State Representative's to educate them about the tremendous need for HCS services and how desperately we need their assistance and additional funding.
- The Center was awarded the Grant for the Workforce Loan Repayment Program that Lauren Titsworth applied for on behalf of our Center. This grant will assist with recruitment and retention.
- The Texas Council Conference was last week, and the Center had 4 board members and numerous staff in attendance. The programs and speakers were excellent. Danette Castle, Chief Executive Officer of the Texas Council is retiring, and Lee Johnson, Deputy Director has been selected by the Texas Council Board to take the CEO position. We are very grateful for Danette's leadership and direction over the years. Danette has been a visionary and advocate for the individuals we serve.
- Thank you to the Executive Staff and to Taylor for all their hard work, I appreciate you all very much.
- Thank you to the Board for your support and guidance, I am grateful for all you do for the individuals we serve.

Following the Executive Director's Report, the Executive Director chose to discuss the allegations in Open Session and the following discussion occurred:

- ~ Ms. Gailey stated that she did not discuss any allegations with anyone.
- ~ Ms. Gailey asked who she had contacted and how the Executive Director was aware that Ms. Gailey had contacted anyone.
- ~ The Executive Director advised Ms. Gailey that the Executive Director was advised prior to the Board meeting on May 26, 2022, that Ms. Gailey had contacted the Commissioner and Judge and advised both of them about the allegations against the Executive Director that had been discussed in Executive Session.
- ~ Pam Beach, Attorney, advised Barbara Gailey that she had contacted the Judge and a County Commissioner and disclosed the allegations with the Judge and the County Commissioner.
- ~ Barbara Gailey asked Pam Beach, Attorney, how she knew that she had done this.
- ~ Pam Beach, Attorney, advised Ms. Gailey that the Executive Director had advised Ms. Beach, Attorney, of this.
- ~ Ms. Gailey stated again that this was not true.

- ~ Pam Beach, Attorney, stated it was true and Ms. Gailey had waived her immunity as a Board Member and slandered the Executive Director with the accusations and could be sued.
- ~ Ms. Gailey again denied contacting anyone.
- ~ Patti Dunn then advised Ms. Gailey that Ms. Gailey was not telling the truth because the County Commissioner, Ron Marchant, had contacted Ms. Dunn and had advised Ms. Dunn of the exact same items that the Executive Director had just stated and that Ms. Gailey had told the Board in an Executive Session, specifically, allegations against the Executive Director.
- ~ Ms. Gailey stated, "well I might have contacted him 3 months ago."
- ~ Ms. Dunn stated, "Really Barbara that's not true, I spoke to him 3 weeks ago."
- ~ Ms. Gailey then stated, well the dates are not correct.
- ~ Pam Beach, Attorney, reiterated that the Board Members cannot discuss anything outside of Executive Session or the Board Members lose their immunity and what Ms. Gailey has done is defamation and Ms. Gailey can be sued for her actions.
- ~ Dianne Hickey discussed that she has been receiving numerous emails from the Board Chair, Ms. Gailey, that have also been sent to Center staff requesting items and Ms. Hickey has no idea what the items requested are for.
- ~ Ms. Gailey began discussing the PPP loan again and Board Members Linda Holloway and Melanie Royer interrupted and asked Ms. Gailey where she was going with this line of conversation again, because Ms. Holloway and Ms. Royer thought this allegation was resolved and did not want to continue discussing the same issue all night.
- ~ Ms. Hickey stated that the continuous demands are keeping the staff from doing their jobs, taking care of the individual's that the Center serves.
- ~ Pam Beach, Attorney, advised that the staff report to the Executive Director and Board Members should not be contacting staff.
- ~ Doug Reuter stated that he speaks with his appointed Commissioner, Ryan Williams, about what is discussed in Executive Session, and asked Pam Beach, Attorney, if this is a breach. Pam Beach stated that discussing anything outside of the Executive Session would be considered a breach.
- ~ Doug Reuter further asked if he could discuss items with the Commissioner because the items were in Open Session. Pam Beach, Attorney, advised, yes, he could.
- ~ Doug Reuter then asked if Pam Beach was the Boards attorney and Pam Beach stated no. Pam Beach, Attorney, works for the Texas Council Risk Management Fund. Doug Reuter asked if he needed to retain an attorney.
- ~ Pam Beach, Attorney, answered Doug Reuter with, is there a reason you think you need a lawyer?
- ~ Pam Beach, Attorney, then stated that if a Board Member needed an attorney the Texas Council Fund would provide an attorney for the Board Member, for something that the fund covers, however it would not be her.
- ~ Doug Reuter then stated that the Board is not made aware of deaths. Dianne Hickey stated that the Board is made aware of deaths in the Board meetings and the Executive Director notified the Board Chair of BS's Death. Ms. Hickey further stated that it is the Board Chair's responsibility to contact the rest of the Board and provide any additional details.
- ~ Doug Reuter then stated, "well I have allegations against her, the Executive Director."
- ~ Doug Reuter stated that "he had 30 years HR background and he is convinced that the Executive Director has created a hostile work environment for her direct reports, causing physical harm and illness and quite possibly the loss or a miscarriage of an employee." Doug Reuter stated that he had also "contacted the previous HR Director, Humera, outside of the

Board meeting and met with her privately and she had to self-demote because she told him the Executive Director was responsible for her inability to complete her job and this had a negative effect on her and her family. Doug Reuter was convinced that the Executive Director created a hostile work environment.”

~ Linda Holloway stated, “no you did not, you pulled Humera aside in the Executive Session and made her speak to you, she did not want to speak to you.”

~ Doug Reuter spoke in a raised voice and demanded that the Executive Director step aside with pay during an investigation.

~ Doug Reuter was requesting that the Board vote to remove the Executive Director pending an investigation.

~ Board Members, Linda Holloway, Rhonda Dick, Patti Dunn, Judi Swayne, and Dianne Hickey raised from their seats and collectively stated that were not in agreement with the demand that Doug Reuter made. Ms. Holloway, Ms. Dick, Ms. Dunn, Ms. Swayne, and Ms. Hickey then stated “no, they were not allowing the Executive Director to be removed because she had not done anything to warrant removal.” The Board stated that Doug Reuter was one vote among the entire Board.”

~ Doug Reuter then stated in an extremely loud voice, that he had also completed a “post departure interview with Cole Denbow”, previous Chief Financial Officer, and the full Board had authorized Doug Reuter to complete an interview with Cole.”

~ The Board Members, Linda Holloway, Rhonda Dick, Patti Dunn, Judi Swayne, and Dianne Hickey immediately stated that this was not true, and the Board had not authorized Doug Reuter to conduct any investigations on behalf of the Board.

~ Doug Reuter was visibly upset, and his voice was raised, and he stated that during his investigation with Mr. Denbow, he reported that he was physical ill, this affecting Mr. Denbow’s personal life and the treatment by the Executive Director caused him to resign. Doug Reuter then demanded loudly that he wanted an investigation to be completed to see if this is happening and if it was, it needs to be corrected now.

~ The consensus of the Board was that they did not agree with Doug Reuter’s recommendation to remove the Executive Director with pay. The Board stated that they did not give Doug Reuter permission to conduct any allegation period.

~ Judi Swayne advised that the Board had said that they needed further counsel before any employee was spoken too.

~ Pam Beach, Attorney, stated that Board Members have no authority to investigate employees.

~ The Board further stated that the information obtained by Doug Reuter was provided by the employee to the entire Board in a closed Executive Session and this is confidential.

~ Board Member, Dianne Hickey, stated that it had also been determined that the previous Chief Financial Officer, Cole Denbow, had been allowed to spend the previous 2 years with his wife under-going cancer treatment and 2 kids and was very pre-occupied with that.

~ Documentation was provided to the Board that Cole Denbow had made numerous large mistakes and had admitted to making a mistake for the PPP loan in writing. Mr. Denbow made an error and made application for \$4,658,487.32 instead of the actual loan amount for \$3,505,482.

~ Doug Reuter then stood up at 9:10 pm and loudly stated that he would no longer be part of this Board and would be resigning, Doug Reuter, abruptly leaving the Board meeting. Mr. Reuter stated that he would send a formal letter to the Commissioner that appointed him and to the Board Chair. Mr. Reuter then stated that he wished the Center the best as they are the only Center providing any help to the community.

- ~Mr. Reuter stated that the Center should be running smooth, and it is not.
- ~ Dianne Hickey told Doug Reuter she would miss him, and he stated, "Bull Shit." Mr. Reuter then stormed out of the Board meeting.
- ~ Ms. Gailey then read an email that the Executive Director had sent to all Executive Management staff advising the staff that if the Board Chair contacted them to advise the Executive Director and the Executive Director would respond to the email.
- ~ Ms. Gailey asked if this email was appropriate for the Executive Director to have sent to the Executive Staff.
- ~ Pam Beach, Attorney, stated that the staff report to the Executive Director and the email was appropriate because Ms. Gailey had been repeatedly asked not to be contacting staff, however, was continuously asking staff for items despite the Executive Director telling the Board Chair that the staff report to the Executive Director and the Board Chair and Board Members are not to contact staff.
- ~ Board discussed that any item that the Board would be voting on, had to be posted on the Board agenda or the item could not be discussed or voted on.
- ~ Ms. Gailey asked if Executive Director had legal authority to sign items for the Board and Pam Beach, Attorney, advised Ms. Gailey that the Bylaws authorize the Executive Director to legally sign Center documents on behalf of the Board.
- ~ Kelly Sayre stated that he had listened all evening to everything that everyone had said, and he did not believe that there was anything worthy of any allegation against the Executive Director. However, he did not know how, with everything that has transpired, the Executive Director could possibly continue working with Ms. Gailey.
- ~Ms. Hickey stated that the this is not what this Board is here to do, and the Board will need to determine what is best for the Center and for the Board and reflect on that.
- ~Linda Holloway asked when a new Chair could be voted on and Ms. Gailey advised in January.
- ~Ms. Gailey was corrected by Judi Swayne that the Election of Officers occurs in August.

No further information discussed.

V. Chair Comments – No comments

VI. New Business

- Next Board meeting will be held at the Denton Outpatient Clinic (DOPC) on Thursday, July 28, 2022

VII. Executive Session: Personnel

The Board reserves the right to convene in Executive Session(s) from time to time as deemed necessary during this meeting - Executive Session(s) pursuant to Article 6252-17, Sec. 2, V.T.C.S., regarding Litigation (e), Real Estate (f), Personnel (g) and Security (j).

A. Pamela Beach, Attorney's Consultation

- B.** To review the Executive Director's Performance Evaluation completed and approved by the Board of Trustees on February 28, 2022. Executive Session did not occur.

Executive Director's Performance Evaluation was on the agenda for April 28, 2022, Executive Session and was reviewed in Executive Session; however, no action was taken by the Board of Trustees, in Open Session on April 28, 2022. Executive Session did not occur.

Executive Director's Performance Evaluation was on the agenda for May 26, 2022, Executive Session; however, a review was not completed, and no action was taken by the Board of Trustees, in Open Session on May 26, 2022. Executive Session did not occur.

- C.** To review and approve the Executive Director's revised Contract, Benefits, and Salary.

Executive Director's Contract, Benefits, and Salary was on the agenda for April 28, 2022, in Executive Session; however, no action was taken by the Board of Trustees, in Open Session on April 28, 2022. Executive Session did not occur.

Executive Director's revised Contract, Benefits, and Salary was on the agenda for May 26, 2022, Executive Session; however, a review was not completed, and no action was taken by the Board of Trustees, in Open Session on May 26, 2022. Executive Session did not occur.

Board Action: Items not discussed.

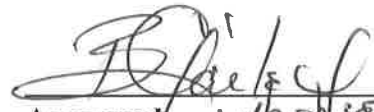
VIII. Review of Board of Trustee Bylaws – Item IV: Organizational Philosophy, Section C.4.

Board Action: Judi Swayne made a motion to table Item VIII. Review of Board of Trustee Bylaws – Item IV: Organizational Philosophy, Section C.4. until the July 2022 regularly scheduled Board of Trustees meeting. Melanie Royer seconded the motion, which passed unanimously.

IX. Adjourn – The Board of Trustees adjourned at 9:26 p.m.



Respectfully Submitted
Taylor Warren
Executive Assistant



Approved *with objection*
Barbara Gailey, Chair *to recess*
Board of Trustees