

FINANCE COMMITTEE REPORT

Houston Recovery Center LGC

11:00 a.m., June 30, 2014

150 N. Chenevert (1st Floor)

Houston, Texas 77002

I. The Finance Committee met at approximately 11:00 a.m. on Monday, June 30, 2014, in the Sobering Center Conference Room, (150 N. Chenevert), Houston, Texas 77002.

II. Ms. Nunnally appointed Ms. Ursula N. Williams to serve as Secretary for the committee. The following committee members were present:

- Elizabeth T. Nunnally, Treasurer
- Arlo Weltge, MD (via telephone)
- Ursula N. Williams

Mr. Leonard Kincaid, Operations Director was also present at the meeting.

III. **SELECTION OF AUDITOR:** The Board charged the committee with joining Mr. Kincaid in the review of proposals received from accounting firms bidding to conduct the HRCLGC's annual audit. A summary of the proposals and interview experiences is hereby attached. Blazek & Vetterling was selected to conduct the audit.

IV. **DISCUSSION REGARDING STAFF MERIT PAY:** Mr. Kincaid proposed awarding 3% merit pay to staff members employed during the entire first year of operations and based on documented achievements and contributions. Mr. Kincaid explained that funds were built into the budget to accommodate the merit pay for the 2013-2014 budget. This is not intended as a raise that will obligate the HRCLGC in perpetuity. Mr. Kincaid is researching a human resources professional to consult concerning future merit/performance pay system with the stipulation that merit pay will only be awarded when funds are available.

RECOMMENDATION: The committee recommends that the Board of Directors entertain and approve the proposal for a one-time merit pay program as proposed by Mr. Kincaid to award staff for their performance during fiscal year 2013-2014 (the first year of operations).

V. **FUTURE TOPICS:** The committee made a list of topics to address in upcoming committee meetings - 1) Review financial policies and procedures as necessary, 2) Research and explore retirement plans for employees and 3) Review and recommend regarding future professional financial services, as necessary.

There being no further business, the meeting **ADJOURNED** at approximately 12:15 p.m.

Houston Recovery Center Audit Proposals for 2014

Firm	Audit Cost	990 filing	Historically Under-utilized Business (HUB)	Experience with Non-profit	Experience with LGC	Meeting Location	Interview
Blazek & Vetterling	\$9,000	Didn't say	Yes	450 non-profit audits	Have several City LGC clients	Came to sobering center	Great, shared lots on information on audit process
Harper & Pearson	\$20,500	Didn't say	Didn't say	70 non-profit audits	Didn't say	Phone	Good
Briggs & Veselka Co.	\$12,000 to \$14,000	additional \$2,500 to \$3,000	Didn't say	Yes	Didn't say	We went to their office	Good
BKD, LLP	\$12,000	additional \$3,000	Didn't say	Yes	Didn't say	Came to sobering center	Great, shared lots of information on audit process