

REGULAR BOARD MEETING MINUTES
August 27, 2026

A Regular meeting of the Board of Trustees of Metrocare Services was held on Thursday, August 27, 2026. The meeting took place at 3242 Remond Dr., Dallas, TX 75211.

Call to Order and declaration of quorum

Ms. Walkowiak, Vice Chair, called the meeting to order at 1:05pm. A quorum was confirmed with (7) board members in attendance. No public comments were made.

Trustees present

Jaime Walkowiak, Ryan J. Garcia, Ivette Marquez, Crystal Garland, and Jennifer Farmer attended the meeting in person. Peter Urbanowicz and Jon Karp participated remotely by videoconference. Stacy Cantu and Heather Kitzman, PhD, were not present.

Staff and guests present

Metrocare Interim CEO, Tate Ringer. Metrocare Executive Team: Kelli Laos, Carolina Lasso, Carrie Parks, Tameka Cass, Ikenna Mogbo, John Bennett, and Jennifer Wadsworth.

Guests: Adrian Colon, NTBHA; Coco Salazar, Commissioner Garcia's office; Kusum Regmi and Razuan Elsadig, Commissioner Sommerman's ofc.; Joel Geary, Legal Counsel (videoconference); Melissa Branch, Ron Winters, Josh Gatlin, and Ian Stevens, Gibbins Advisors (videoconference); and Bobby Forshey, Legal Counsel (videoconference).

Chair Report: Members were reminded of the next board meeting on Thursday, September 24, 2026.

CONSENT AGENDA

July 2026 Reports

1. Acceptance of FY26 Third Quarter Reports on Finance
2. Board meeting minutes for July 15, 2026
3. Human Resources Report
4. Clinical Services Division and Institutional Review Board
5. Mental Health Services Division
6. Appointment of Mauricio Saenz to the MH Advisory Committee
7. Housing Division

Upon request by Ms. Walkowiak, the Housing Division Report was removed from the Consent Agenda and moved to the Action Agenda for individual discussion.

Motion: Mr. Garcia moved to approve the remaining Consent Agenda and Ms. Garland seconded. The motion was approved by unanimous consent.

Board Liaison Reports

MH Advisory Committee (MHAC) Report

Jennifer Wadsworth, Chief Clinical Officer, reported that the MHAC met Monday, August 3rd and she provided an update on current organizational changes within the MH Division, including program closures, grant funding that was ending, and other staffing changes. She also presented the need for additional applications for MHAC. Copies of blank applications were provided. Next meeting is scheduled for October 5, 2026.

IDD Planning Network Advisory Committee (PNAC) Report

Carolina Lasso, Chief Authority Officer, reported that the IDD PNAC met in June, and they are looking for new members. Their next meeting is scheduled to take place on September 8, 2026.

Chief Executive Officer

Staff Tenure Recognition

Interim Chief Executive Officer, Tate Ringer, recognized Melissa Huffman and Mary Sneed for their 30 and 25 years of service, respectively. Martha Toscano was also honored for her 31 years of dedicated service as she retired on August 31, 2026.

Service Presentation

Dr. John Bennett, Interim Chief Medical Officer, presented a moving example of a client in Metrocare's ACT (Assertive Community Treatment) program.

A young man with onset of schizophrenia in teen age years had experienced multiple hospitalizations but had poor outpatient treatment adherence. He was arrested on an assault charge after an incident in the home and was placed on a pretrial intervention program by the courts and started services with the ACT team. Over the course of the year with the support of the ACT team he was medication adherent, kept his medical appointments, met the court requirements, received food stamps, and reunited with family members. Once his charges were cleared, he moved back home with mother and started working with his uncle.

ACTION AGENDA

Acceptance of the Housing Division Report for July 2026

Board Report Narrative: Harbor of Hope Funding Challenges

The Board was informed by Ikenna Mogbo, Chief Housing Officer, of a significant setback affecting the viability of the Harbor of Hope development project. Metrocare was required to return approximately \$5.25 million in state funding after the organization was unable to secure the required matching funds within the state's established timelines. The state funding had been identified as a major component of the Harbor of Hope capital stack and was previously reported as a secure source of project financing.

Since the full funding is not available, Metrocare notified the Dallas Federal Home Loan Bank (FHLB) that Metrocare would de-obligate the \$650,000 grant because the funds could not be used in the timeframe required by FHLB. The loss of both funding sources has created a

substantial financing gap and has placed the Harbor of Hope project on hold unless awarded funding from one or more of several outstanding grant applications and funding requests currently under review. Should these funding opportunities be awarded, Metrocare may be able to reconstruct a viable financing package and continue pursuing the development. Conversely, if the pending requests are unsuccessful, the organization will need to reassess the project's feasibility, identify alternative funding strategies, and/or delay or cancel the development. One funder has pledged \$1 million to the project and funded half of the pledge. Conversations are ongoing with the funder as to the status of the project and future usage of the funds.

Motion: Mr. Garcia moved to accept the Housing Division Report and Ms. Marquez seconded. The motion was approved by unanimous consent.

Acceptance of the Chief Executive Officer Report for the FY26 Key Performance Indicator progress through July 2026

Ms. Ringer presented the CEO report and reviewed the all-staff addresses delivered after the Board approved the FY27 budget at the August 22 retreat. Leadership efforts in July and August focused on developing the FY2027 budget and preparing and presenting the Gibbins turnaround plan. Follow-up meetings with Commissioners will occur in the days following the Board meeting.

Motion: Ms. Marquez moved to accept the CEO Report for July 2026, and Ms. Farmer seconded. The motion passed by unanimous vote.

Acceptance of the Financial Report for July 2026

Tammy Walsh, Interim CFO, provided the report and discussion for the July financials and the FY27 Budget. July close resulted in a Net Loss of \$7.3M which trended higher than preceding months based on prior period adjustments of the DPP reconciliation, negative pharmacy inventory, GASB 96 true up, and interest for prior periods. Without these anomalies, July would have been at a \$2.8M Net Loss.

Ms. Walsh presented a revised FY26 year-end forecast of a Net Loss of \$31M which is \$12.5M more unfavorable than the last forecast of (\$19.1M) presented in the May financial package. Tammy reported that the variance is primarily due to lower revenue in DPP and Grants by \$7M and COGS lower by \$1M due to inventory true up. Rounding out the larger Net Loss is a \$3M higher expenses in Benefits and Compensation and the prior period Interest Expense adjustment of \$3.0M.

Open Accounts Receivable (Aging) has increased by 18% since RCM transitioned from Netsmart to Metrocare. 21% of this increase is attributed to Self-Pay due to the halt of patient statements since March. Ms. Walsh spoke of the improvement in KPIs over the last month due to the daily huddles with the entire team and reviewing the daily KPI's.

The Financial Audit and Single Audit RFP have gone out with a deadline for responses of August 31st. A review of the proposals will occur expeditiously, and final selection to be presented to the Board in the September Board meeting.

Motion: Mr. Garcia moved to accept the Financial Reports for 2026, and Ms. Garland seconded. The motion passed by unanimous vote.

Acceptance of the Quality Management and Compliance Services Division Reports for July 2026

Kelli Laos, Chief Operating Officer, reviewed the routine metrics in her report and discussed at length the successful outcome of the CARF (Commission on Accreditation of Rehabilitation Facilities) survey where Metrocare scored a 97.6% conformance score. Additionally, Metrocare received a 99% conformance score on CARF's most critical accreditation standards. The surveyors praised Metrocare's quality of services in addition to the dedication and skill of staff.

Motion: Ms. Farmer moved to accept the Quality Management and Compliance Division Reports for July 2026, and Ms. Garland seconded. The motion passed by unanimous vote.

Acceptance of the Local Intellectual and Development Disability Authority Report for July 2026

Ms. Lasso reported successful completion of the August National Committee for Quality Assurance (NCQA) Local Intellectual and Developmental Disability Authority (LIDDA) Survey with no findings. Ms. Lasso reviewed the Key Performance Indicator (KPI) to maintain a 90% or higher Data Verification Score across all LIDDA programs. In July, we exceeded this goal with an average score above 90%, supported by ongoing quality assurance monitoring and preparation efforts that also contributed to successful outcomes during the March Health and Human Services (HHS) audit and NCQA survey.

The CAO also reviewed the Eligibility Determination Unit (EDU) Fee-for-Service KPI, which was significantly below target. It was determined that the KPI had been overstated because the original benchmark included services provided by a contracted psychologist funded through the American Rescue Plan Act (ARPA), making the target higher than realistic current operational expectations.

Motion: Ms. Marquez moved to accept the LIDDA Report for July 2026, and Ms. Farmer seconded. The motion passed by unanimous vote.

Acceptance of Office of Engagement Report for July 2026

Tameka Cass, Chief Engagement Officer, presented the Grant Achievements and Sustainability outlook. She noted that Metrocare's strategic partnership with WISE Resource Development, a third-party nonprofit contractor, has significantly strengthened fundraising capacity while optimizing internal operating costs. The partnership has more than tripled the number of grant proposals submitted compared with previous years, totaling 77 submissions to date for FY26, and WISE is expected to surpass its \$500,000 fundraising goal by August 31, 2026. These submissions have also expanded Metrocare's future revenue potential, with \$35,905,777 in pending grant requests to support ongoing organizational growth. Ms. Cass also outlined an ambitious donor stewardship plan focused on strengthening funder relationships through regular communication, meaningful recognition, active engagement, and long-term collaboration. She noted plans to involve board trustees in relationship-building efforts.

Motion: Mr. Garcia moved to accept the Engagement Report for July 2026, and Ms. Marquez seconded. The motion passed by unanimous vote.

Executive Session

The board moved into executive session pursuant to Texas Government Code 551, Subchapter D, Texas Government Code § 551.071 – to consult with attorney regarding existing contractual obligations with creditors.

Open session closed at: 2:10 pm

Return to Open session at: 2:41 pm

Action taken as result of Executive Session

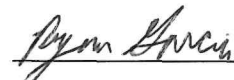
Ms. Walkowiak called for a motion to grant our Interim CEO approval to execute an extension with Texas Capital Bank with consultation of counsel for the \$3.3M and \$20M notes.

Motion: Mr. Garcia moved to approve and Crystal Garland seconded. The motion passed by unanimous vote.

Meeting Adjournment

There being no further business to come before the Board, Ms. Walkowiak adjourned the meeting at 2:41 pm.

Minutes approved by:



Ryan J. Garcia, Secretary