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TRI-CITY MENTAL HEALTH AUTHORITY

AGENDA

GOVERNING BOARD REGULAR MEETING WEDNESDAY, JULY 19, 2023 AT 5:00 P.M.

Founded in 1960
by the residents

of Pomona,
Claremont and La
Verne.

GOVERNING BOARD

Jed Leano, Chair
(Claremont)
John Nolte, Vice-Chair
(Pomona)
Carolyn Cockrell,
Member
(La Verne)
Paula Lantz, Member
(Pomona)
Wendy Lau, Board
Member
(La Verne)
Elizabeth Ontiveros-Cole,
Member
(Pomona)
Ronald T. Vera, Member
(Claremont)

There will be no in-person public meeting location. Due to a credible threat to the Agency received on July 19, 2023, the in-person meeting has been cancelled. The Governing Board will hold this public meeting via teleconference only pursuant to Government Code § 54953 regarding teleconferencing, and also pursuant to Government Code §§ 54954.2 and 54956.5. Accordingly, the public seeking to observe and to address the Governing Board may participate electronically.

Please click the link below to join the meeting:

<https://tricitymhs-org.zoom.us/j/81143479557?pwd=djNDd3JrUHB2allwUUpkWFE0QThWdz09>
Passcode: awFL+Wy4

Administrative Office

1717 North Indian Hill
Boulevard, Suite B
Claremont, CA 91711
Phone (909) 623-6131
Fax (909) 623-4073

Clinical Office / Adult

2008 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 865-9281

Clinical Office / Child & Fam

1900 Royalty Drive, Suite 180
Pomona, CA 91767
Phone (909) 766-7340
Fax (909) 865-0730

MHSA Administrative Office

2001 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 326-4690

Wellness Center

1403 North Garey Avenue
Pomona, CA 91767
Phone (909) 242-7600
Fax (909) 242-7691

Public Participation. Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board on any item of interest to the public, before or during the consideration of the item, that is within the subject matter jurisdiction of the Governing Board. Therefore, members of the public are invited to speak on any matter on or off the agenda. If the matter is an agenda item, you will be given the opportunity to address the legislative body when the matter is considered. If you wish to speak on a matter which is not on the agenda, you will be given the opportunity to do so at the Public Comment section. **No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.**

Online participation: you may provide audio public comment by connecting to the meeting online through the zoom link provided; and use the Raise Hand feature to request to speak.

Please note that virtual attendance is a courtesy offering and that technical difficulties shall not require that a meeting be postponed.

Written participation: you may also submit a comment by writing an email to molmos@tricitymhs.org. All email messages received by 3:00 p.m. will be shared with the Governing Board before the meeting.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by Tri-City Mental Health Authority to all or a majority of the Governing Board less than 72 hours prior to this meeting, are available for public inspection at 1717 N. Indian Hill Blvd., Suite B, in Claremont during normal business hours.

In compliance with the American Disabilities Act, any person with a disability who requires an accommodation in order to participate in a meeting should contact JPA Administrator/Clerk Mica Olmos at (909) 451-6421 at least 48 hours prior to the meeting.

GOVERNING BOARD CALL TO ORDER

Chair Leano calls the meeting to Order.

ROLL CALL

Board Members Carolyn Cockrell, Paula Lantz, Wendy Lau, Elizabeth Ontiveros-Cole, and Ron Vera; Vice-Chair John Nolte; and Chair Jed Leano.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting at the following Tri-City locations: Clinical Facility, 2008 N. Garey Avenue in Pomona; Wellness Center, 1403 N. Garey Avenue in Pomona; Royalty Offices, 1900 Royalty Drive #180/280 in Pomona; MHSA Office, 2001 N. Garey Avenue in Pomona; and on the TCMHA's website: <http://www.tricitymhs.org>

CANCELLATION OF IN-PERSON MEETING**1. ADDITION TO AGENDA OF CONSIDERATION OF CANCELLATION OF IN-PERSON MEETING DUE TO THREAT**

Recommendation: “A motion to add consideration of cancellation of in-person meeting due to a threat to the Agenda.” (Requires two-thirds vote).

2. CONSIDERATION OF CANCELLATION OF IN-PERSON MEETING DUE TO THREAT

Recommendation: “A motion to cancel the in-person meeting of the Governing Board on July 19, 2023 due to a threat and to proceed by Zoom only.” (Requires two-thirds vote).

PRESENTATION**OVERVIEW OF PENSION FUNDING BY GOVINVEST****CONSENT CALENDAR****3. APPROVAL OF MINUTES FROM THE JUNE 21, 2023 GOVERNING BOARD REGULAR MEETING**

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of June 21, 2023.”

NEW BUSINESS

- 4. CONSIDERATION OF RESOLUTION NO. 715 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AFFILIATION AGREEMENT WITH THE UNIVERSITY OF LA VERNE TO PROVIDE PROFESSIONAL TRAINING FOR GRADUATE STUDENTS ENROLLED IN THE MARRIAGE AND FAMILY THERAPY PROGRAM**

Recommendation: “A motion to adopt Resolution No. 715 approving an Affiliation Agreement with the University of La Verne and authorizing the Executive Director to execute the agreement and any Amendments thereafter.”

- 5. CONSIDERATION OF RESOLUTION NO. 716 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE SECOND AMENDMENT TO THE AUDITING SERVICES AGREEMENT WITH EIDE BAILLY THROUGH FISCAL YEAR ENDING JUNE 30, 2023**

Recommendation: “A motion to adopt Resolution No. 716 authorizing the Executive Director to execute the Second Amendment to the Agreement with Eide Bailly, LLP through Fiscal Year ending June 30, 2023.

- 6. CONSIDERATION OF RESOLUTION NO. 717 APPROVING AN AGREEMENT WITH LEASEQUERY, LLC FOR GASB-96 CONSULTING SERVICES BEGINNING JULY 19, 2023 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER**

Recommendation: “A motion to adopt Resolution No. 717 approving an Agreement with LeaseQuery, LLC for GASB-96 Consulting Services beginning July 19, 2023, and authorizing the Executive Director to execute the agreement and any amendments thereafter.”

- 7. CONSIDERATION OF RESOLUTION NO. 718 APPROVING AN AGREEMENT WITH EIDE BAILLY, LLP FOR GASB-96 IMPLEMENTATION SERVICES EFFECTIVE JULY 19, 2023 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER**

Recommendation: “A motion to adopt Resolution No. 718 approving an Agreement with Eide Bailly, LLP for GASB-96 implementation services beginning July 19, 2023, and authorizing the Executive Director to execute the agreement and any amendments thereafter.”

8. CONSIDERATION OF RESOLUTION NO. 719 ADOPTING THE AUTHORITY'S PROPOSED OPERATING BUDGET & CASH FLOW BUDGET FOR FY 2023-24

Recommendation: “A motion to approve Resolution No. 719 adopting TCMHA’s FY 2023-24 Operating Budget and Cash Flow Budget.”

MONTHLY STAFF REPORTS**9. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT****10. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT****11. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT****12. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT****13. DANA BARFORD, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT****14. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT****GOVERNING BOARD COMMENTS**

Members of the Governing Board may make brief comments or request information about mental health needs, services, facilities, or special problems that may need to be placed on a future Governing Board Agenda.

PUBLIC COMMENT

The Public may at this time speak regarding any Tri-City Mental Health Authority related issue, provided that no action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

CLOSED SESSION

The Governing Board will recess to a Closed Session pursuant to:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code § 54956.9)

Case Name or Reference: Patricia Kears v. Tri-City Mental Health Authority, Warkitha Torregano, et al.

Case Number: 21PSCV00953

Venue: Los Angeles Superior Court

RECONVENE TO OPEN SESSION

The Governing Board will reconvene to an Open Session.

CLOSED SESSION REPORT

Any reportable action taken is announced.

ADJOURNMENT

The next Regular Meeting of the **Governing Board** will be held on **Wednesday, September 20, 2023 at 5:00 p.m.**, in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California. The Governing Board is Dark during the month of August.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Amy Grayson, Esq., on behalf of Steven Flower, General Counsel

SUBJECT: Addition to Agenda of Consideration of Cancellation of In-Person Meeting Due to Threat

Summary:

Tri-City Mental Health Authority Governing Board must comply with the Ralph M. Brown Act in conducting its meetings, including procedures for noticing the meeting and posting the agenda. The agenda was posted 72 hours prior to the meeting, which included an in-person meeting and which also allowing the public to comment virtually via Zoom.

Today, the Agency became aware of a credible threat to Agency staff, after which all Agency sites have been placed in lockdown and staff was advised to remain at home until further notice. The threat also resulted in Staff determining that the in-person meeting of the Board should be cancelled and that this meeting be conducted virtually only.

Background:

Whether to cancel the in-person meeting and proceed by Zoom only is not on the agenda. Under the Brown Act, generally the Board may not act on or discuss any item that does not appear on the agenda posted for a regular meeting. (Gov. Code § 54954.2(a)(3).) This rule does not, however, preclude a legislative body from acting on a non-agenda item that comes to the local agency's attention subsequent to the agenda posting which requires immediate action. (Gov. Code § 54954.2(b)(2).) In order to utilize this exception, the legislative body must make findings of both components of the exception by a two-thirds vote of those present (by unanimous vote if less than two-thirds of the body is present).

In addition, an item not appearing on an agenda may be added if the legislative body determines by a majority vote that an emergency situation exists. (Gov. Code § 54954.2(b)(1).) This will assure proper notification to the public of the Board's proceedings.

Fiscal Impact:

None.

Governing Board of Tri-City Mental Health Authority
Addition to Agenda of Consideration of Cancellation of In-Person Meeting Due to Threat
July 19, 2023
Page 2

Recommendation:

Staff recommends that the Governing Board approves to add an agenda item to consider cancelling the in-person meeting due to the threat.

Attachments:

None.



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Amy Grayson, Esq., on behalf of Steven Flower, General Counsel

SUBJECT: Consideration of Cancellation of In-Person Meeting Due to Threat

Summary:

Tri-City Mental Health Authority Governing Board meeting agenda was posted 72 hours prior to the meeting, which included an in-person meeting and which also allowing the public to comment virtually via Zoom. Today, all Agency sites have been placed in lockdown due a credible threat to Agency staff. The threat also resulted in Staff determining that the in-person meeting of the Board should be cancelled and that this meeting be conducted virtually only.

Background:

Under the Brown Act, generally the Board may not act on or discuss any item that does not appear on the agenda posted for a regular meeting. (Gov. Code § 54954.2(a)(3).) This rule does not, however, preclude a legislative body from acting on a non-agenda item that comes to the local agency's attention subsequent to the agenda posting which requires immediate action. (Gov. Code § 54954.2(b)(2).) In order to utilize this exception, the legislative body must make findings of both components of the exception by a two-thirds vote of those present (by unanimous vote if less than two-thirds of the body is present). In addition, an item not appearing on an agenda may be added if the legislative body determines by a majority vote that an emergency situation exists. (Gov. Code § 54954.2(b)(1).) This will assure proper notification to the public of the Board's proceedings.

Fiscal Impact:

None.

Recommendation:

Staff recommends that the Governing Board approves cancelling the in-person meeting of July 19, 2023 due to a threat and to conduct the meeting by Zoom only.

Attachments:

None.



MINUTES

REGULAR MEETING OF THE GOVERNING BOARD JUNE 21, 2023 – 5:00 P.M.

The Governing Board met in a Regular Meeting held on Wednesday, June 21, 2023 at 5:02 p.m. in the MHSA Office located at 2001 North Garey Avenue, Pomona, California.

CALL TO ORDER Chair Leano called the meeting to order at 5:02 p.m.

ROLL CALL Roll call was taken by JPA Administrator/Clerk Olmos.

GOVERNING BOARD

PRESENT: Jed Leano, City of Claremont, Chair
John Nolte, City of Pomona, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member (arrived at 5:10 p.m.)
Paula Lantz, City of Pomona, Board Member
Wendy Lau, City of La Verne, Board Member
Elizabeth Ontiveros-Cole, City of Pomona, Board Member (arrived at 5:12 p.m.)
Ronald T. Vera, City of Claremont, Board Member (arrived at 5:12 p.m.)

ABSENT: None.

STAFF: Rimmi Hundal, Executive Director
Steven Flower, General Counsel
Diana Acosta, Chief Financial Officer
Natalie Majors-Stewart, Chief Compliance Officer
Elizabeth Renteria, Chief Clinical Officer
Seeyam Teimoori, Medical Director
Dana Barford, Director of MHSA & Ethnic Services
Mica Olmos, JPA Administrator/Clerk

CONSENT CALENDAR

At the request of Board Member Lantz, Agenda Item No. 4 was pulled from the Consent Calendar for discussion. Board Member Lantz then referred to Agenda Item Nos. 2 and 3, and sought clarification regarding the Salary Schedule spreadsheet. Executive Director Hundal responded that the only change to the Salary Schedule is that two new positions were added to it.

There being no further comment, Vice-Chair Nolte moved, and Board Member Lau seconded, to approve the Consent Calendar. The motion was carried by the following vote, AYES: Board Members Lantz and Lau; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Members Cockrell, Ontiveros-Cole, and Vera.

1. APPROVAL OF MINUTES FROM THE MAY 17, 2023 GOVERNING BOARD AND MENTAL HEALTH COMMISSION REGULAR JOINT MEETING

RECOMMENDATION: “A motion to approve the Minutes of the Governing Board Regular Meeting of May 17, 2023.”

2. CONSIDERATION OF RESOLUTION NO. 712 ESTABLISHING THE CLASS SPECIFICATION AND SALARY RANGE FOR THE GRANTS MANAGER POSITION; AND REVISING THE AUTHORITY’S MASTER CLASSIFICATION AND SALARY SCHEDULE TO REFLECT THIS CHANGE EFFECTIVE JULY 1, 2023

RECOMMENDATION: “A motion to adopt Resolution No. 712 establishing and adding the Grants Manager position to the Authority’s Master Classification and Salary Schedule effective July 1, 2023.”

3. CONSIDERATION OF RESOLUTION NO. 713 ESTABLISHING THE CLASS SPECIFICATION AND SALARY RANGE FOR THE DEPUTY CHIEF CLINICAL OFFICER POSITION; AND REVISING THE AUTHORITY’S MASTER CLASSIFICATION AND SALARY SCHEDULE TO REFLECT THIS CHANGE EFFECTIVE JULY 1, 2023

RECOMMENDATION: “A motion to adopt Resolution No. 713 establishing and adding the Deputy Chief Clinical Officer position to the Authority’s Master Classification and Salary Schedule effective July 1, 2023.”

NEW BUSINESS

4. CONSIDERATION OF RESOLUTION NO. 714 ESTABLISHING THE EXPANSION OF VACATION AND COMPENSATORY CASH OUT POLICY AND PROCEDURE NO. II.21 EFFECTIVE JULY 1, 2023

Board Member Lantz inquired about the fiscal impact of Resolution No. 714. Chief Financial Officer Acosta responded that from a cash perspective there is an impact; however, from an accrual basis, the impact has already occurred. Board Member Lantz then expressed a concern regarding the cash out policy noting that although there is a motivational factor, she understands the mental toll that these jobs takes for employees, and that to give an option to take money instead of time off, is not in the best interest of staff or the organization.

Board Member Lau spoke in support of the cash-out policy, stating that finances can be a stressor for some employees, and if it will allow for stress relief, then, it is a good option.

Human Resources Manager Torregano clarified that the policy requires that employees maintain a vacation accrual balance of 40 hours in order to complete the cash-out request, which would allow employees the ability to also take time off if they request it.

At 5:10 p.m., Board Member Carolyn Cockrell arrived at the meeting.

Discussion ensued regarding the importance of staff taking time off instead of being incentivized to take money and continue to work; that employees would still have the option to take time off

even when they choose to receive pay; and that if an employee were to leave, they would receive pay for their unused vacation time.

Vice-Chair Nolte inquired if taking vacation is being required. Executive Director Hundal replied in the negative, stating that a good work-life balance is encouraged but taking a vacation is not mandatory, and pointed out that the executive team sets the example by taking time off regularly.

Chair Leano opened the meeting for public comment, and there was no public comment.

There being no further comment, Board Member Lau moved, and Vice-Chair Nolte seconded, to adopt Resolution No. 714 establishing the expansion of Vacation and Compensatory Cash-Out Policy and Procedure No. II.21 effective July 1, 2023. The motion was carried by the following vote: AYES: Board Members Cockrell and Lau; Vice-Chair Nolte; and Chair Leano. NOES: Board Member Lantz. ABSTAIN: None. ABSENT: Board Members Ontiveros-Cole and Vera.

5. CONSIDERATION OF AWARDING THIRTEEN COMMUNITY WELLBEING GRANTS TOTALING \$117,104.00 FOR FISCAL YEAR 2023-24 UNDER THE COMMUNITY CAPACITY BUILDING PROJECT OF THE PREVENTION AND EARLY INTERVENTION (PEI) PLAN

At 5:12 p.m., Board Members Elizabeth Ontiveros-Cole and Ronald Vera arrived at the meeting.

Board Member Lantz recused herself from the meeting for Agenda Item Nos. 5 and 6 due to her involvement with some of the proposed grantees.

Director of MHSA & Ethnic Services Barford referred to the information about the various grantees in the Board Member's agenda packets for the Community Wellbeing Grants and stated that staff is proposing to award thirteen grants totaling \$117,104; that the Community Wellbeing (CWB) Grants create an opportunity for Tri-City to build community capacity while empowering community members to build wellbeing. She added that the grant also includes technical assistance and Community Capacity Organizer Daisy Martinez meets with each grantee individually to provide technical support; and that the program also provides a networking opportunity for the grantees. She shared RBA statistics for Fiscal Year 2021-2022 showing that 13,489 individuals benefitted from the CWB grants.

Chair Leano inquired if the program was oversubscribed. Barford responded in the affirmative stating that there were 26 applicants, and out of those applicants 13 have been selected for funding. She added that the dollar amount for funding was increased; that the application process includes community meetings; and that there are certain criteria that need to be met.

Board Member Vera inquired about the lifetime award limit of three years. Executive Director Hundal explained that the original and current plan was written and approved by the stakeholders; that communities can apply for up to three years for a maximum of \$10,000 for each year, respectively. Director of MHSA and Ethnic Services Barford added that the award limit applies for only one project, and the same community or organization can apply for a different project.

Board Member Lau inquired about the rationale behind the award limit. Executive Director Hundal responded that the stakeholders decided to do it this way in 2010, to encourage and teach smaller organizations how to apply for bigger grants and how to collect data, and that it has not changed since then.

Director of MHSA and Ethnic Services Barford added that it also allows opportunities for a variety of organizations to apply. Board Member Lau inquired if it is an intentional path that encourages organizations to learn how to eventually apply for monies elsewhere with sustainability in mind. Executive Director Hundal reply in the affirmative, noting that one of the questions on the application asks how the organization will sustain themselves after receiving the CWB grant.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Vera moved, and Vice-Chair Nolte seconded, to award thirteen Community Wellbeing Grants totaling \$117,104.00 for Fiscal Year 2023-24 under the Community Capacity Building Project of the Prevention and Early Intervention (PEI) plan. The motion was carried by the following vote: AYES: Board Members Cockrell, Lau, and Vera; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Lantz.

6. CONSIDERATION OF AWARDING SIX MENTAL HEALTH STUDENT SERVICES ACT (MHSSA) SUB-GRANTS TOTALING \$441,710.76 BEGINNING JULY 1, 2023 THROUGH JUNE 30, 2026, UNDER THE MHSSA GRANT RECEIVED FROM THE CALIFORNIA MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)

Chief Clinical Officer Renteria stated that the Mental Health Student Services Act grant allowed TCMHA to provide some funds for the community to further serve children, youth, and young adults by increasing access to mental health. She reported that ten applications were submitted from various community partners; that there was a review committee and a rubric; and that six candidates were selected to receive the sub-grants. She then referred to the agenda report attachments that contain summaries of each project, and added that she recommends to award the six identified community partners with the grant amount they requested; that the goal of the sub-grants are to increase access to mental health services; that the award recipients are from Claremont Unified School District, the School of Arts and Enterprise, Pomona Unified School District, JustUs4Youth, and California Polytechnic University.

Board Member Vera inquired if this was the first time that Tri-City awards these grants. Chief Clinical Officer Renteria responded in the affirmative.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Cockrell moved, and Board Member Lau seconded, to award six Mental Health Student Services Act (MHSSA) sub-grants totaling \$441,710.76 beginning July 1, 2023 through June 30, 2026, under the MHSSA grant received from the California Mental Health Services Oversight and Accountability Commission (MHSOAC). The motion was carried by the following vote: AYES: Board Members Cockrell, Lau, Ontiveros-Cole, and Vera; Vice-Chair Nolte and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Lantz.

MONTHLY STAFF REPORTS

7. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT

Executive Director Hundal announced that the Governor's proposed restructuring of MHSA has now been amended to SB 326 (Eggman) and proposed Facilities Bond Measure into AB 531

(Irwin); that the goal is for these to be on the ballot by March 2024; that she will be attending the LA County Department of Health Care Services meeting and the County Behavioral Health Directors Association meeting to get more information and bring it back to the Board next month. She also reported that on June 12th, she attended a CARE Court meeting with Chief Clinical Officer Renteria involving the LA County Chief Executive Office, LA County Department of Mental Health, City of Claremont, and City of La Verne; that they are will be working with LACDMH very closely to see how CARE court is going to be implemented and to determine what is the best workflow; that the next LACDMH meeting is in September and she hopes to have more information for the Board after that meeting. She then provided a TCMHA staffing update as of May 2023.

Vice-Chair Nolte inquired about the procedures for CARE Court and when TCMHA must be ready. Executive Director Hundal replied in December; however, processes are not finalized. Vice-Chair Nolte inquired about the next meeting Pomona can be involved in. Executive Director Hundal indicated that the next meeting is in September and that Pomona could not make it to the last meeting; however, they are aware of what is currently taking place.

Board Member Vera referred to the 35 vacancies and 18 posted positions, and inquired if TCMHA is holding back in terms of filling those vacancies for budgetary reasons. Executive Director Hundal responded in the affirmative, because of the uncertainty with CalAIM; and that it would not be fair to hire someone and then have to make changes due to CalAIM.

Discussion ensued regarding the response from the applicant pool for other vacancies, which is the same but a definite increase in applicants for the Clinical Therapist position; about an industry-wide problem, and that nationally, public mental health positions are difficult to fill in which both hiring and retention is difficult; about California having the highest shortage of behavioral health specialists in the nation; and about the use of recruitment and retention strategies that include developing relationships with the colleges to grow staff into positions and providing every allowable incentive.

8. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta announced that within the next couple of weeks a draft of the budget will be delivered to the Governing Board members for review, and that the budget will be presented for approval at the next Governing Board meeting. She then shared that we are nearing the end of the fiscal year and at this point we are not anywhere near danger of reversion; that as of this date, the team is expected to receive \$11 million; that due to the extension of tax return deadlines, they will be receiving four or five more million dollars in the next fiscal year instead; that according to tax consultants at the State level, TCMHA should be expecting to receive upwards of \$23 to \$24 million and we will have three years to spend those dollars, noting the importance to start planning on how to expend the funds.

Executive Director Hundal added that when TCMHA receives one-time funding, these funds are not able to start a new program since the funds are not ongoing; that they have to be really creative as to how they spend the money.

Board Member Vera inquired about the way TCMHA receives funding, about how CalAIM is going to change that to fee-for-service, and about the way in which TCMHA is preparing for that change.

Executive Director Hundal replied that with CalAIM everything is uncertain at this point; that during the pandemic, billing was low; that the LA County Department of Health Care Services still has not decided how they are to roll it out to the counties, and how the counties will roll it out to the providers; and that the rates are going to be different from what LA County gets.

Chief Financial Officer Acosta added that they have been meeting with the LA County Department of Mental Health and they have another meeting to finalize the details and produce a realistic budget.

Board Member Vera referred to the Chief Financial Officer Report and inquired about the increase in revenue. Chief Financial Officer Acosta replied is the \$5 million that TCMHA expected to receive through the end of June will now be shifted to be received next month, which is next fiscal year. Board Member Vera further inquired if there will be a need to use reserve funds since the expected revenue this fiscal year will not be received until the next fiscal year. Chief Financial Officer Acosta replied in the negative, since it is difficult to plan due to one-time funding; and that as far as hiring positions, it is challenging having a temporary inflow of dollars. Board Member Vera then inquired about the \$39 million cash balance and where those monies are. Chief Financial Officer Acosta replied that the bulk of it is in LAIF, the Local Agency Investment Fund, which it is expected to earn a pretty substantial interest, noting that LAIF is one of the safest places to leave it in. Board Member Vera asked on average what the gain on return is for the last three years in that fund. Controller Bogle responded less than one percent, and that TCMHA does not have a securities or treasury relationship.

9. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria reported that since the Mental Health Student Services Act grant, the referrals for children and youth have been very robust; that there has been a substantial increase because staff have been able to go out into the community; that there have been a lot more youth, children and young adults coming to TCMHA; that the grant is reaching the people that it was intended to reach; and that she will continue to report more about the grant in future meetings.

Board Member Lantz sought clarification regarding the housing services table presented in Chief Clinical Officer report. Chief Clinical Officer Renteria explained that the first column is the number of referrals received from the community or internally from staff; that the FSP is the number that comes from the adult services, AOP, and Children's; and that evictions are the number of folks that were helped from being evicted.

10. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Medical Director Teimoori indicated that in his report he had provided data on the services performed by the Intensive Outreach and Engagement Team and the PAC team, in collaboration with the Claremont Police Department.

Chair Leano asked what the turnaround time is for an individual who is not a 5150 hold and how long are those officers there. Medical Director Teimoori replied that it is usually a period of two to four hours. Chair Leano further inquired if transportation is always provided by law enforcement. Executive Director Hundal responded that sometimes it is the ambulance.

Discussion ensued about who can transport clients to the hospital, which can be either an ambulance or law enforcement and they can transport the client wherever there is a bed available; that the Police Officer can leave the patient at a hospital and that a hospital cannot refuse a police officer; that once the patient is on hospital grounds, they must be accepted; that the police officer needs to determine whether the patient needs medical attention or psychiatric; that medical services supersedes psychiatric services; and that an ambulance needs to find where there is a bed available before they can drop off a client, and this could take hours.

Board Member Cockrell inquired about the progress regarding the need for hospital beds. Executive Director Hundal indicated that the counties have been talking about this issue at the State level for a long time; that they have advocated for more psychiatric hospital beds; that the number of beds depends on the County; and that due to TCMHA's relationship with Charter Oaks, staff is able to accommodate more TCMHA clients.

Board Member Vera commented about Pomona Valley Hospital's triage for 5150 patients.

Board Member Cockrell inquired how TCMHA handle calls from non-clients who are in crisis. Executive Director Hundal stated that staff responds to every call within the three cities.

Board Member Vera inquired about the billing for services under Cal AIM. Chief of Compliance Officer Majors-Stewart responded that for crisis services, it will be similar to what we are currently doing and there will be no significant effect.

11. DANA BARFORD, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Director of MHSA and Ethnic Services Barford reported that they have hired a new MHSA Projects Manager, noting that she has been a clinician at TCMHA for nine years and has worked at the Therapeutic Community Garden. She also announced that a new Workforce Education and Training Coordinator has been hired, noting that she was formerly the Innovation Coordinator. She then reported that the first round of TCMHA's loan-repayment program has concluded; that 28 staff applied last year and committed to work for at least 12 months with the agency; that the checks are being awarded and they will be paid directly to the employee's student loan; that the amounts will be up to \$7,500 per person, depending on the employee's most recent loan balance; that the total allocation is \$193,000 through WET funding; and that the next round is getting ready to be launched, noting that this is one of the incentives to retain staff members.

12. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart shared that TCMHA will be implementing CalAIM on July 1st; that the best practices division has been very involved with the preparation for this. She mentioned that the first round of staff training started this week; that there will be another round next week; and that there are more groups to train and then they will circle back to cover other aspects of CalAIM. She commented that everything is on schedule and things are going well with the transition; and that her department will continue to provide training and support beyond implementation.

GOVERNING BOARD COMMENTS

Board Member Vera shared that he attended the Pomona Library Foundation Mayor’s Gala where Board Member Paula Lantz was recognized; and that it was unfortunate that she could not attend. Board Member Lantz indicated that she was unable to attend due to medical reasons.

Board Member Leano congratulated Board Member Lantz for being recognized

PUBLIC COMMENT

There was no public comment.

CLOSED SESSION

At 5:53 p.m., the Governing Board will recessed to a Closed Session pursuant to Public Employee Performance Evaluation (Gov’t Code § 54957); Title of Position of Employee Being Evaluated: Executive Director.

RECONVENE TO OPEN SESSION

At 6:38 p.m., the Governing Board reconvened to an Open Session.

CLOSED SESSION REPORT

There was no reportable action.

ADJOURNMENT

At 6:38 p.m., on consensus of the Governing Board its meeting of June 21, 2023 was adjourned. The next Regular Meeting of the Governing Board will be held on Wednesday, July 19, 2023 at 5:00 p.m., in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

Micaela P. Olmos, JPA Administrator/Clerk



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Dana Barford, Director of MHSA and Ethnic Services

SUBJECT: Approval of Resolution No. 715 Authorizing the Executive Director to Execute an Affiliation Agreement with the University of La Verne to Provide Professional Training to Graduate Students Enrolled in the Marriage and Family Therapy Program

Summary:

Staff is requesting that the Governing Board approve an Affiliation Agreement to provide qualified supervised professional training for ULV graduate students enrolled in the Marriage and Family Therapy Program ("Program"), in a field placement training to provide the students with an appropriate clinical setting to practice their skills in marital and family therapy.

Background:

The collaboration between Tri-City Mental Health and numerous higher educational institutions has long proven to have a reciprocal benefit for both the agency and the students. By providing expert training and hands-on experience, Tri-City has made a significant impact on the future of numerous graduate students who are looking to pursue a career in the mental health field while receiving the benefit of additional staff who are eager to serve the clients enrolled for services.

With this agreement, Tri-City will begin a new intern partnership with the University of La Verne where students will be involved in a fieldwork placement of a psychological nature in which they are delivering mental health services with individuals, children, couples, and families which includes a combination of counseling, assessment, community outreach, case presentation, planning, etc., normally found in a marriage and family clinical setting.

Students must complete a minimum of 225 hours of direct client contact under the supervision of Tri-City staff, which will include individual supervision and group supervision on a weekly basis.

Fiscal Impact:

There is no fiscal impact with this agreement. TCMHA shall not compensate or reimburse ULV, nor any of ULV's graduate students, employees, or agents in connection with their participation in the Program under this Agreement.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 715 Authorizing the Executive Director to Execute an Affiliation Agreement with the University of La Verne to Provide Professional Training to Graduate Students Enrolled in the Marriage and Family Therapy Program
July 19, 2023
Page 2

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 715 approving an Affiliation Agreement with the University of La Verne and authorizing the Executive Director to execute the Agreement.

Attachments:

Attachment 4-A: Resolution No. 715 - DRAFT

Attachment 4-B: TCMHA and ULV Affiliation Agreement - DRAFT

RESOLUTION NO. 715

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING AN AFFILIATION AGREEMENT WITH THE UNIVERSITY OF LA VERNE TO PROVIDE PROFESSIONAL TRAINING TO GRADUATE STUDENTS ENROLLED IN THE MARRIAGE AND FAMILY THERAPY PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) desires to train University of La Verne (ULV) graduate students enrolled in the Marriage and Family Therapy Program at TCMHA locations or at any place or location; at any time as deemed necessary and appropriate; and in such numbers as agreed, so long as the internship services are provided within the manner outlined in the Affiliation Agreement.

B. The Authority affirms that the University of La Verne is an independent contractor and not an employee, agent, joint venture or partner of Tri-City. The Affiliation Agreement does not create or establish the relationship of employee and employer between ULV and TCMHA.

C. The Authority affirms that ULV graduate students are considered learners who are fulfilling specific requirements for field experiences as part of a degree and/or credential requirement during their school calendar year, and are not employees, agents, joint venture or partners of TCMHA; and that ULV or Student shall neither solicit remuneration nor accept any fees or commissions from any third party in connection with the internship provided to TCMHA under the Affiliation Agreement without the expressed written permission of TCMHA.

2. Action

The Governing Board approves the Affiliation Agreement with University of La Verne for one-year beginning July 19, 2023, and automatically renewing for three successive one-year terms; and authorizes the Authority’s Executive Director to enter into, and execute the Agreement and any amendments or extensions of such Agreement.

[Continued on page 2]

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on July 19, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____

DRAFT



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AFFILIATION AGREEMENT
BETWEEN THE
TRI-CITY MENTAL HEALTH AUTHORITY
AND
UNIVERSITY OF LA VERNE
DATED
JULY 19, 2023

Administrative Office

1717 North Indian Hill
Boulevard, Suite B
Claremont, CA 91711
Phone (909) 623-6131
Fax (909) 623-4073

Clinical Office / Adult

2008 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 865-9281

Clinical Office / Child & Family

1900 Royalty Drive, Suite 180
Pomona, CA 91767
Phone (909) 766-7340
Fax (909) 865-0730

MHSA Administrative Office

2001 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 326-4690

Wellness Center

1403 North Garey Avenue
Pomona, CA 91767
Phone (909) 242-7600
Fax (909) 242-7691

ATTACHMENT 4-B

TABLE OF CONTENTS

	<u>Section Page</u>
1. Parties and Date.	1
2. Independent Contractor.	1
3. Scope of Services.	1
4. Performance of Services.	1
A. TCMHA (Practicum Site) Responsibilities.	1
B. ULV (Sponsoring Institution) Responsibilities.	2
5. Compliance.	3
6. Time and Location of Work.	4
7. Terms.	4
8. Termination.	4
9. Research.	4
10. No Financial Agreement.	5
11. Licenses.	5
12. Proprietary Information.	5
13. Fair Labor Standards Act and Displacement of Organization Employees.	5
14. Conflict of Interest.	5
15. General Terms and Conditions.	6
A. Mutual Indemnification.	6
B. Insurance.	6
C. Non-Discrimination and Equal Employment Opportunity.	7
D. Prohibition on Assignment.	7
E. Changes to the Agreement.	7
F. Contractor Attestation.	8
G. Governing Law, Jurisdiction and Venue.	8
H. No-Use of Names.	8
I. No Third Party Beneficiaries.	8
16. Representative and Notice.	8
A. TCMHA's Representative.	8
B. ULV's Representative.	8
C. Delivery of Notices.	8
17. Exhibits.	9
18. Effective Date.	9
19. Entire Agreement.	9
20. Severability.	9
21. Waiver.	9
22. Execution.	10

AGREEMENT

1. PARTIES AND DATE

THIS AGREEMENT (hereinafter “Contract” or “Agreement”) is made and entered into as of July 19, 2023 by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a joint powers agency organized under the laws of the State of California, with its administrative office at 1717 N. Indian Hill Boulevard, #B, Claremont, California 91711 (“TCMHA” or “Practicum Site”), and UNIVERSITY OF LA VERNE, a California nonprofit public benefit corporation, with its principal place of business at 1950 Third Street, La Verne, CA 91750 (“ULV” or “Sponsoring Institution”). TCMHA and ULV are sometimes individually referred to as a “Party” and collectively as “Parties.”

2. INDEPENDENT CONTRACTOR

The express intention of the Parties is that ULV is an independent contractor and not an employee, agent, joint venture or partner of TCMHA. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employee and employer between ULV and TCMHA or any employee, agent, or graduate student of ULV. At all times ULV shall be an independent contractor and ULV shall have no power to incur any debt, obligation, or liability on behalf of TCMHA without the express written consent of TCMHA. Neither TCMHA nor any of its agents shall have control over the conduct of ULV or any of ULV’s graduate students, except as set forth in this Agreement.

3. SCOPE OF SERVICES

TCMHA will provide qualified supervised professional training for ULV graduate students enrolled in the Marriage and Family Therapy Program (“Program”), in a field placement training to provide the students with an appropriate clinical setting to practice their skills in marital and family therapy.

4. PERFORMANCE OF SERVICES

A. TCMHA (Practicum Site) Responsibilities

1. The Primary Supervisor at TCMHA shall meet the following requirements:
 - a. hold a current license in either Psychology; Social Work (LCSW); Marriage and Family Therapy (MFT); Board Certified Psychiatrist or equivalent acceptable to ULV;
 - b. possess at least two (2) years’ experience in marriage and family therapy since licensure;
 - c. be employed by TCMHA;
 - d. able to sign the Board of Behavioral Sciences (BBS) Supervision Agreement (between the supervisor and supervisee); and
 - e. provide supervision for the student.

2. Should the Primary Supervisor no longer provide this student with supervisory services, TCMHA must immediately notify the ULV Fieldwork Coordinator of the Marriage and Family Therapy Program. Failure to comply within a reasonable period of time constitutes a breach and, shall entitle ULV to terminate this Agreement. TCMHA and Primary Supervisor agree to comply with functions and responsibilities pertaining to them in the ULV.

3. TCMHA confirms that it has been in operation at least two (2) years.

4. Provide adequate facilities and equipment for the student to carry out designated responsibilities.

5. Have and adhere to published procedures for:

a. handling grievances;

b. prohibiting discrimination on the basis of age, culture, ethnicity, gender, physical disability, race, religion, sexual orientation, and socioeconomic status; and

c. obtaining informed consent of clients, including but not limited to client rights, limits of confidentiality, and establishment and collection of fee; and safety, privacy, and confidentiality.

6. Provide graduate students with orientation of TCMHA policies and procedures.

7. Be chartered or licensed by the appropriate state authority (as applicable).

8. Have a governance or advisory board that includes at least one member who is not an MFT professional.

9. Provide a continuous nine (9) months (or longer) clinical experience in MFT.

10. Provide sufficient client case load to meet requirements (225 hours).

11. Have the right to refuse participation to any ULV graduate student who TCMHA determines is not participating satisfactorily in the Program. In the event that TCMHA determines a student is not satisfactorily participating in the Program, TCMHA will consult with ULV regarding the reasons for denying participation of such student, but TCMHA shall make the final decision on such student's participation in its sole discretion and ULV agrees to honor any such decision.

B. ULV (Sponsoring Institution) Responsibilities

1. Provide TCMHA with a statement of its educational goals, of appropriate learning experiences, and of its expectations for student performance in the Program.

2. Be responsible for the selection, placement, removal, and final grading of students placed with TCMHA. These decisions shall be made in consultation with TCMHA in accordance with the respective responsibilities of each Party to this Agreement.

3. Designate graduate students for marriage and family therapy work experience at TCMHA, in such numbers as are mutually agreed to by both Parties.

4. Keep all attendance and academic records of graduate students participating in field work assignments pursuant to this Agreement.

5. Assign a representative of its faculty to act as the Faculty Field Liaison between ULV and TCMHA in the development and execution of the Fieldwork Instruction program, rotation plan, the valuation of student performance, and to engage in such other activities as are of mutual concern in the provision of student training.

6. The Fieldwork Coordinator for the Marriage and Family Therapy Program will exchange relevant information regarding the student's progress with TCMHA's Primary Supervisor as needed. ULV practicum instructor will have contact with TCMHA throughout the school year, and will also notify TCMHA's director in advance of:

- a. schedules of the students in the Marriage and Family Therapy Program;
- b. placement of students in fieldwork assignments; and
- c. changes in fieldwork assignments.

7. Be responsible for graduate student professional activities and conduct while in the TCMHA; require every student to conform to all applicable TCMHA policies, procedures, and regulations, and all requirements and restrictions specified by TCMHA; and inform the students that they will serve as volunteers without compensation, and that they will not be considered officers, agents or employees of TCMHA for any purpose, including Worker's Compensation purposes. These requirements shall include, but are expressly not limited to, that every graduate student shall be required to successfully pass a criminal history background investigation as a condition of participation in the program.

8. In consultation and coordination with the TCMHA's staff, arrange for periodic conferences between appropriate representatives of ULV and TCMHA to evaluate the fieldwork experience program provided under this Agreement.

5. COMPLIANCE

A. Graduate students providing services pursuant to this Agreement may have access to Protected Health Information, as defined at 45 CFR §160.103, and shall adhere to the requirements of the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR, Parts 160 and 164; 42 CFR, Part 2, and Welfare Institutions Code (WIC) Sections 5328 through 5330, inclusive, and all other applicable County, State, and federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to confidentiality and privacy.

B. In the course of clinical training at TCMHA, graduate students will be required to participate in training related to TCMHA's HIPAA Privacy and Security policies and procedures; and shall conform to all applicable TCMHA policies, procedures, regulation, and all requirements and restriction specified by TCMHA.

C. All of TCMHA's medical records and charts, created in connection with professional training for graduate students enrolled in the Marriage and Family Therapy Program, shall be and shall remain property of TCMHA.

D. The Parties agree that ULV is not a "Business Associate" of TCMHA under HIPAA. ULV shall not perform or assist in the performance of covered HIPAA functions on behalf of TCMHA. There shall be no exchange of individually identifiable protected health information between ULV and TCMHA, or between any graduate student and ULV. Notwithstanding the foregoing, ULV shall be bound by all the requirements of HIPAA, as applicable, and shall ensure that ULV Personnel (as defined in Section 9 of this Agreement), and ULV's graduate students comply with all applicable HIPAA requirements.

6. TIME AND LOCATION OF WORK

Graduate students shall perform the training required by this Agreement at any place or location and at any time as TCMHA deems necessary and appropriate, so long as they met the educational goals and objectives as required by ULV; and adhere to the Graduate Student Responsibilities set forth in 'Exhibit A', attached hereto and incorporated herein by this reference.

7. TERMS

The initial term of this Agreement shall be one (1) year, commencing July 19, 2023 and terminating on July 18, 2024; and shall automatically renew for three successive one-year terms; and shall be and remain in full force and effect until the Agreement is amended or terminated.

8. TERMINATION

Either Party may terminate this Agreement at any time, without cause, upon thirty (30) calendar days' prior written notice to the other Party. Such termination shall not impair the activities of the graduate students then at TCMHA and participating satisfactorily and in good standing in the Marriage and Family Therapy Program, as determined by TCMHA pursuant to Section 4(A)(11). In the event of a material breach of this Agreement by either Party, the other Party may terminate this Agreement immediately upon written notice. Both Parties agree to cooperate fully in any such transition.

9. RESEARCH

ULV and TCMHA agree that neither the ULV nor TCMHA, nor any graduate student, ULV Personnel or TCMHA Personnel, will conduct any formal or informal survey, research or other study relating in any way to the patients treated under the Program at the TCMHA without first obtaining a written determination made by the ULV Personnel and the TCMHA Coordinator (or their designated representatives) that appropriate consent has been obtained from any patient who is the subject of or participates in such survey, research or other study. As used in this Agreement,

the term "ULV Personnel" means and includes any official, officer, director, trustee, agent, employee, or contractor of ULV. As used in this Agreement, the term "TCMHA Personnel" means and includes any elective or appointive official, officer, agent, employee, or contractor of TCMHA.

10. NO FINANCIAL AGREEMENT

TCMHA shall not compensate or reimburse ULV, any of the ULV's graduate students, or any of the ULV Personnel in connection with their participation in the Program under this Agreement. ULV shall pay and administer all compensation and fringe benefits, if any, due its graduate students and/or ULV Personnel, and shall make any required federal or state income tax withholdings and all payments due as an employer's contribution under workers' compensation laws, or other laws, if applicable for any graduate students and ULV Personnel.

11. LICENSES.

ULV declares that ULV has complied with all federal, state, and local business permits and licensing requirements necessary to conduct business and to enter into this Agreement.

12. PROPRIETARY INFORMATION

ULV agrees that all information, whether or not in writing, of a private, secret or confidential nature concerning TCMHA's business, activities, programs, services, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of TCMHA. ULV, ULV Personnel and ULV's graduate students shall not disclose any Proprietary Information to any person or entity, other than persons who have a need to know about such information, without written approval by Executive Director of TCMHA, either during or after its engagement with TCMHA, unless and until such Proprietary Information has become public knowledge without fault by the ULV.

13. FAIR LABOR STANDARDS ACT AND DISPLACEMENT OF ORGANIZATION EMPLOYEES

It is not the intention of this Agreement for graduate students to perform services that would displace or replace regular employees of TCMHA. It is understood by the Parties that ULV's graduate students are not employees of TCMHA for any purpose and shall not be entitled compensation for services, employees' health, welfare and pension benefits, or other fringe benefits of employment, or worker's compensation insurance, from TCMHA. ULV and TCMHA shall inform their graduate students that no graduate student is, or will be, entitled to any employment by either Party upon completion of their rotation.

14. CONFLICT OF INTEREST

ULV hereby certifies that to the best of its knowledge or belief, no elected/appointed official or employee of TCMHA is financially interested, directly or indirectly, in the provision of services specified in this Agreement. Furthermore, ULV represents and warrants to TCMHA that it has not employed nor retained any person or company employed by the TCMHA to solicit or secure the award of this Agreement and that it has not offered to pay, paid, or agreed to pay any person

any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of the Agreement.

15. GENERAL TERMS AND CONDITIONS

A. Mutual Indemnification.

1. Indemnification by ULV. ULV shall, at its sole cost and expense, indemnify, defend and hold harmless TCMHA, its elective and appointive officers, officials, agents, employees, volunteers, and contractors who serve as TCMHA officers, officials or staff (collectively "TCMHA Indemnitees" in this Subsection (A)(1) of Section 15), from any and all demands, claims, costs or liability of personal injury, bodily injury (including death) and property damage, of any nature (collectively "Claims"), in law or in equity, whether actual, alleged or threatened, caused by or arising out of, in whole or in part, the acts or omissions of ULV, its officers, trustees, directors, agents, employees, contractors, subcontractors, or their officers, trustees, directors, agents or employees, or any of ULV's graduate students (or any entity or individual that ULV shall bear the legal liability thereof), (collectively "ULV Indemnitors" in this Subsection (A)(1) of Section 15), including the ULV Indemnitors' active or passive negligence, recklessness or willful misconduct in the performance of this Agreement, ULV's Marriage and Family Therapy Program, and/or the participation by any graduate student in ULV's Marriage and Family Therapy Program, except as for Claims arising from the sole negligence or willful misconduct of TCMHA Indemnitees.

2. Indemnification by TCMHA. TCHMA shall, at its sole cost and expense, indemnify, defend and hold harmless ULV, its officers, agents and employees (collectively "ULV Indemnitees" in this Subsection (A)(2) of Section 15) from any and all demands, claims, costs or liability of personal injury, bodily injury (including death) and property damage of any nature (collectively "Liabilities"), in law or in equity, whether actual, alleged or threatened, caused by or arising out, in whole or in part, the acts or omissions of TCHMA, its officers, officials, agents, employees, volunteers, and contractors who serve as TCMHA officers, officials or staff (collectively "TCMHA Indemnitors" in this Subsection (A)(2) of Section 15), including TCMHA Indemnitors' active or passive negligence, recklessness, or willful misconduct in the performance of this Agreement, except for Liabilities arising from the sole negligence or willful misconduct of ULV Indemnitees.

B. Insurance. ULV shall obtain and file with TCMHA, at ULV's expense, certificates of insurance providing the following insurance before commencing any services under this Agreement as follows:

1. **Workers Compensation Insurance:** Minimum statutory limits.
2. **Automobile Insurance:** \$1,000,000.00 per occurrence.
3. **Errors And Omissions Insurance:** \$1,000,000.00 per occurrence, and \$3,000,000 in the aggregate.
4. **Commercial General Liability And Property Damage Insurance:** General Liability and Property Damage Combined. \$2,000,000.00 per occurrence including comprehensive form, personal injury, broad form personal damage, contractual and

premises/operation, all on an occurrence basis. If an aggregate limit exists, it shall apply separately or be no less than two (2) times the occurrence limit.

5. ULV, on behalf of graduate students, shall maintain **General and Professional Liability**, as well as educator's **Errors and Omissions coverage**, through the Student Professional Liability Insurance (SPLIP) program, in the amount of \$2,000,000 each occurrence and \$4,000,000 general aggregate.

6. **Notice Of Cancellation:** TCMHA requires, and ULV shall provide TCMHA with, 30 days' written notice of cancellation. Additionally, the notice statement on the certificate should not include the wording "endeavor to" or "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."

7. **Waiver of Subrogation:** Each insurance policy required by this Agreement shall expressly waive the insurer's right of subrogation against TCMHA and its elected and appointive officials, officers, employees, agents, volunteers and contractors serving as TCMHA officers, officials or staff. ULV hereby waives all rights of subrogation against TCMHA.

8. **Certificate Of Insurance:** Prior to commencement of services, evidence of insurance coverage must be shown by a properly executed certificate of insurance by an insurer licensed to do business in California, satisfactory to TCMHA, and it shall name "*Tri-City Mental Health Authority, its elective and appointed officers, employees, volunteers, and contractors who serve as TCMHA officers, officials, or staff*" as additional insureds.

9. **Delivery of Certificates and Endorsements:** To prevent delay and ensure compliance with this Agreement, the insurance certificates and endorsements must be submitted to:

Tri-City Mental Health Authority
Attn: JPA Administrator/Clerk
1717 N. Indian Hill Boulevard, #B
Claremont, CA 91711-2788

C. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, ULV shall not discriminate against any employee, subcontractor, graduate student or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental disability, medical condition, sexual orientation or gender identity. ULV will take affirmative action to ensure that subcontractors and applicants are employed, that are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, sexual orientation or gender identity.

D. Prohibition on Assignment. This Agreement shall not be assigned or transferred without advance written consent of TCMHA.

E. Changes to the Agreement. No changes or variations of any kind are authorized without the written consent of TCMHA's Executive Director. This Agreement may only be amended by a written instrument signed by both Parties. ULV agrees that any written change after the signing of this Agreement shall not affect the validity or scope of this Agreement and shall be deemed to be a supplement to this Agreement and shall specify any changes in the Scope of Services.

F. Contractor Attestation. Also in accordance with TCMHA's policies and procedures, TCMHA will not enter into contracts with individuals, or entities, or owners, officers, partners, directors, or other principals of entities, who have been convicted recently of a criminal offense related to health care or who are debarred, excluded or otherwise precluded from providing goods or services under Federal health care programs, or who are debarred, suspended, ineligible, or voluntarily suspended from securing Federally funded contracts. TCMHA requires that ULV certify that no staff member, officer, director, partner, or principal, sub-contractor, or Graduate Student is excluded from any Federal health care program, or federally funded contract and will sign attached *Contractor's Attestation That Neither It Nor Any Of Its Staff Members Are Restricted, Excluded Or Suspended From Providing Goods Or Services Under Any Federal Or State Health Care Program*, attached hereto as 'Exhibit B' and incorporated herein by this reference. ULV agrees that ULV shall comply with this requirement.

G. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. The Parties agree that venue of any action that arises under or relates to this Agreement (whether contract, tort, or both) shall be resolved exclusively in a superior court or federal court in the County of Los Angeles, California.

H. Non-Use of Names. Except as required by applicable law, neither Party shall use the name of the other Party in any publicity without the prior written permission of the Party whose name is to be used.

I. No Third Party Beneficiaries. There is no intent by either Party to create or establish third Party beneficiary status or rights in any other Party, and no third party shall have the right to enforce any right or enjoy any benefit created or established under this Agreement.

16. REPRESENTATIVE AND NOTICE

A. TCMHA's Representative. TCMHA hereby designates its Executive Director to act as its representative for the performance of this Agreement ("TCMHA's Representative"). TCMHA's Representative shall have the power to act on behalf of TCMHA for all purposes under this Agreement.

B. ULV's Representative. ULV warrants that the individual(s) who has signed the Agreement has the legal power, right, and authority to make this Agreement and to act on behalf of ULV for all purposes under this Agreement.

C. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

If to Practicum Site:

TRI-CITY MENTAL HEALTH AUTHORITY
Attn: Executive Director
1717 N. Indian Hill Boulevard, #B
Claremont, CA 91711-2788

If to Sponsoring Institution: UNIVERSITY OF LA VERNE
Attn: Provost
1950 Third Street
La Verne, CA 91750

Any notices required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during receiving Party's regular business hours or by facsimile before or during receiving Party's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to the provision of this Section. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

17. EXHIBITS

The following attached exhibits are hereby incorporated into and made a part of this Agreement:

Exhibit A: Graduate students Responsibilities

Exhibit B: Contractor's Attestation That Neither It Nor Any Of Its Staff Members Are Restricted, Excluded Or Suspended From Providing Goods Or Services Under Any Federal Or State Health Care Program

18. EFFECTIVE DATE

This Agreement shall become effective upon (a) its approval and execution by ULV; and (b) its approval and execution by TCMHA.

19. ENTIRE AGREEMENT

This Agreement and any other documents incorporated herein by specific reference, represents the entire and integrated agreement between the Parties. Any ambiguities or disputed terms between this Agreement and any attached Exhibits shall be interpreted according to the language in this Agreement and not the Exhibits. This Agreement supersedes all prior agreements, written or oral, between the ULV and TCMHA relating to the subject matter of this Agreement.

20. SEVERABILITY

The validity or unenforceability of any provision of this Agreement declared by a valid judgment or decree of a court of competent jurisdiction, shall not affect the validity or enforceability of any other provision of this Agreement.

21. WAIVER

No delay or omission by TCMHA in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by TCMHA on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion or a waiver of any other condition of performance under this Agreement.

22. EXECUTION

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Agreement Date.

PRACTICUM SITE

SPONSORING INSTITUTION

TRI-CITY MENTAL HEALTH AUTHORITY

UNIVERSITY OF LA VERNE

By: _____
Rimmi Hundal, Executive Director

By: _____
, Provost

Attest:

By: _____
Micaela P. Olmos, JPA Administrator/Clerk

Approved as to Form:
RICHARDS WATSON GERSHON LAW

By: _____
Steven L. Flower, General Counsel

EXHIBIT A

GRADUATE STUDENT RESPONSIBILITIES

1. The students will be held accountable and responsible for their professional conduct at TCMHA's field placement site. Further, they agree to be cognizant of and observe the rules, regulations and guidelines of the University of La Verne for the Marriage and Family Therapy MS Program and those of TCMHA. Student agrees to be cooperative and open to feedback. Any violation of legal professional ethics shall be reported immediately to the Fieldwork Coordinator of the Marriage and Family Therapy Program, at University of La Verne.

2. In order for the student to receive credit for field placement, the Graduate Student must fulfill the following requirements:

a. Be involved in a fieldwork placement of a psychological nature in which they are delivering mental health services in dealing with individuals, children, couples and families applying a systems approach. Acceptable areas would include a combination of counseling, assessment, community outreach, case presentation, planning, etc., normally found in a marriage and family clinical setting.

b. Participate at the field placement site for the required hours that has been agreed upon during the initial interview with TCMHA.

c. Procure written consent to participate at the specific TCMHA program.

d. Review and co-sign semester evaluation and monthly hour forms completed by the Primary Supervisor to be forwarded turned in at the end of each semester.

e. Student must complete a minimum of 225 hours of direct client contact; 75 of those hours **can** be Client Centered Advocacy. These 225 hours must be supervised by an approved supervisor or the equivalent as defined by the MFT programs. This supervisor must provide weekly individual supervision. The student must also participate in group supervision on a weekly basis.

EXHIBIT B

CONTRACTOR’S ATTESTATION THAT NEITHER IT NOR ANY OF ITS STAFF MEMBERS OR GRADUATE STUDENTS ARE RESTRICTED, EXCLUDED OR SUSPENDED FROM PROVIDING GOODS OR SERVICES UNDER ANY FEDERAL OR STATE HEALTH CARE PROGRAM

UNIVERSITY OF LA VERNE

Contractor’s Name	Last	First
-------------------	------	-------

Contractor hereby warrants that neither it nor any of its staff members or graduate students is restricted, excluded, or suspended from providing goods or services under any health care program funded by the Federal or State Government, directly or indirectly, in whole or in part, and the Contractor will notify Tri-City Mental Health Authority (TCMHA) within thirty (30) days in writing of: 1) any event that would require Contractor or a staff member’s mandatory exclusion or suspension from participation in a Federal or State funded health care program; and 2) any exclusionary action taken by any agency of the Federal or State Government against Contractor or one or more staff members barring it or the staff members from participation in a Federal or State funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold TCMHA harmless against any and all loss or damage Contractor may suffer arising from the Federal or State exclusion or suspension of Contractor or its staff members from such participation in a Federal or State funded health care program.

Failure by Contractor to meet the requirements of this paragraph shall constitute a material breach of contract upon which TCMHA may immediately terminate or suspend this Agreement.

Is Contractor/Proposer/Vendor or any of its staff members or graduate students currently barred from participation in any Federal or State funded health care program?

_____ **NO**, Contractor or any of its staff members or graduate students is not currently barred from participation in any Federal or State funded health care program.

_____ **YES**, Contractor or any of its staff members or graduate students is currently barred from participation in any Federal or State funded health care program. Describe the particulars on a separate page.

Date	Contractor or Vendor’s Name	Contractor or Vendor’s Signature
------	-----------------------------	----------------------------------

Rimmi Hundal, Executive Director

Date	TCMHA Executive Official’s Name	TCMHA Executive Official’s Signature
------	---------------------------------	--------------------------------------

DISTRIBUTION:

COPIES: HR Representative
 Contractor
 Finance



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Consideration of Resolution No. 716 Authorizing the Executive Director to Execute the Second Amendment to the Auditing Services Agreement with Eide Bailly through Fiscal Years Ending June 30, 2023

Summary:

Staff is recommending that the Governing Board authorize amending the agreement with Eide Bailly, LLP (formerly Vavrinek, Trine & Day, & Co., LLP) to increase the agreement by \$10,000. During the completion and engagement of the Fiscal Year Ending June 30, 2023 financial statement audit, three different accounting pronouncements are required to be implemented, with the most significant standard being Governmental Accounting Standards Board (GASB) Statement No. 96. The implementation of these statements require additional transactions, and additional footnotes incorporated into the audited financial statements, which will in turn need to be reviewed and audited. The estimated cost for these additional services will be an amount not to exceed \$10,000.

Background:

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, Subscription-based Information Technology Arrangements. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022, and as for Tri-City would be effective fiscal year beginning July 1, 2022 (year ending June 30, 2023). The adoption of this new accounting statement will be reflected in the annual audited financial statements projected to be presented to the Governing Board in October or November of 2023.

As noted above, this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 716 Authorizing the Executive Director to Execute the
Second Amendment to the Auditing Services Agreement with Eide Bailly through Fiscal
Years Ending June 30, 2023
July 19, 2023
Page 2

technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Inherently with GASB Statement implementations there are additional audit and testing procedures that are necessary; however, significant statements such as GASB No. 96 require substantial additional attention by Eide Bailly, which will result in an increase to the cost of this year's audit engagement.

Fiscal Impact:

The cost for the auditing services will now be a total of \$46,428 (an increase of \$10,000) for the Fiscal Year 2022-23 audit and will be funded from a combination of 1991 Realignment and MHSA Funds. The funding source will be a combination of MHSA and realignment funds and have been accounted for in the Fiscal Year 2023-24 Annual Operating Budget.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 716 authorizing the Executive Director to Execute the Second Amendment to the Agreement with Eide Bailly, LLP for Audit Services through Fiscal Year ending June 30, 2023, and increase the agreement by an additional \$10,000.

Attachments:

Attachment 5-A: Resolution No. 716 – DRAFT

Attachment 5-B: Second Amendment to Agreement with Eide Bailly, LLP - DRAFT

RESOLUTION NO. 716

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE SECOND AMENDMENT TO THE AUDITING SERVICES AGREEMENT WITH EIDE BAILLY, LLP THROUGH FISCAL YEAR ENDING JUNE 30, 2023

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. **Findings.** The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) desires to amend the Agreement with Eide Bailly, LLP (formerly VTD) to increase compensation in the approximate amount of \$10,000, totaling \$46,428 for auditing services for Fiscal Year ending on June 30, 2023.

B. At its June 21, 2017 meeting, the Governing Board adopted Resolution No. 437 authorizing and awarding a five-year contract to Vavrinek, Trine, Day & Co., LLP (VTD) for auditing services. In July 22, 2019, VTD combined its practice with Eide Bailly, LLP, a national CPA firm.

C. On May 18, 2022, TCMHA and Eide Bailly, LLP entered into the First Amendment to the Agreement to extend it for two additional years to audit the Authority’s Financial Statements for Fiscal Years Ending June 30, 2022, and 2023, and to increase professional hourly rates and the compensation amount to \$36,428 per year, respectively.

2. **Action**

The Governing Board approves the Second Amendment to the Agreement with Eide Bailly for Auditing Services for Fiscal Year Ending June 30, 2023, in an amount not to exceed \$46,428; and authorizes the Executive Director to sign the Amendment. All of the terms and provisions of the Agreement, as amended by the First Amendment, shall remain in full force and effect.

[Continued on page 2]

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on July 19, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

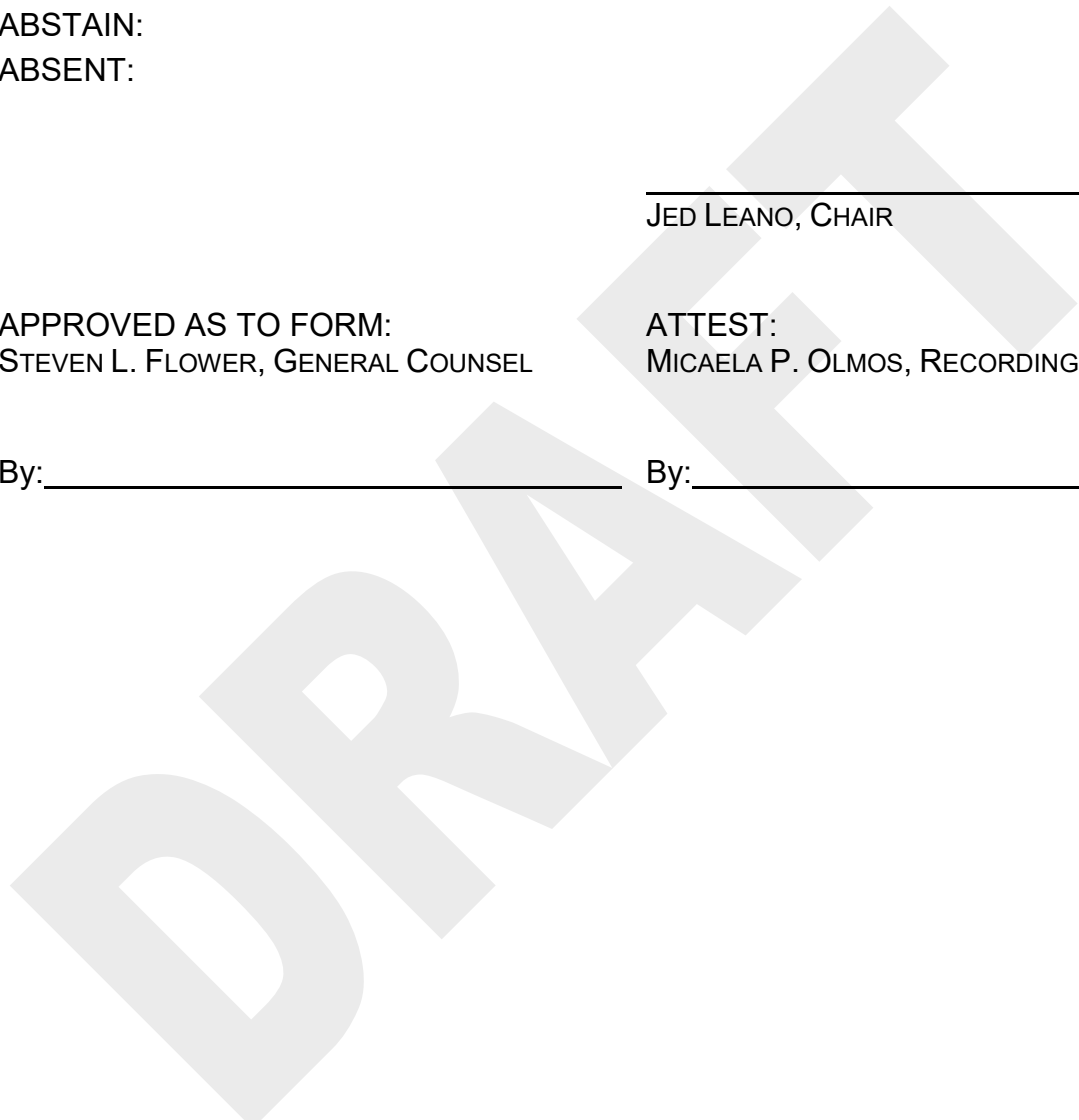
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____ By: _____





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SECOND AMENDMENT
TO
INDEPENDENT CONTRACTOR AGREEMENT
BETWEEN
TRI-CITY MENTAL HEALTH AUTHORITY
AND
EIDE BAILLY LLP

Administrative Office

1717 North Indian Hill
Boulevard, Suite B
Claremont, CA 91711
Phone (909) 623-6131
Fax (909) 623-4073

Clinical Office / Adult

2008 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 865-9281

Clinical Office / Child & Family

1900 Royalty Drive, Suite 180
Pomona, CA 91767
Phone (909) 766-7340
Fax (909) 865-0730

MHSA Administrative Office

2001 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 326-4690

Wellness Center

1403 North Garey Avenue
Pomona, CA 91767
Phone (909) 242-7600
Fax (909) 242-7691

DATED

JUNE 21, 2017

ATTACHMENT 5-B

TABLE OF CONTENTS

	<u>Section Page</u>
1. PARTIES AND DATE	1
2. RECITALS	1
3. AMENDMENT	1
4. REAFFIRMATION OF OTHER TERMS	2
5. EXECUTION	2

DRAFT

SECOND AMENDMENT**AGREEMENT****BY AND BETWEEN TRI-CITY MENTAL HEALTH AUTHORITY
AND EIDE BAILLY, LLP
FOR PROFESSIONAL AUDITING SERVICES****1. PARTIES AND DATE**

This Second Amendment (“Second Amendment”) is made and entered into as of July 1, 2023 (“Second Amendment Date”), by and between Tri-City Mental Health Authority, a California joint powers authority (“TCMHA” or “Tri-City”) and Eide Bailly LLP, Formerly Vavrinek, Trine, Day & Co., LLP, (the “Contractor”). TCMHA and Contractor are sometimes individually referred to as a “Party” and collectively as “Parties.”

2. RECITALS

2.1. TCMHA and Contractor entered into an independent contractor Agreement effective June 21, 2017, (“Agreement”) for professional auditing services for Fiscal Years ending June 30, 2017, 2018, 2019, 2020 and 2021.

2.2. On May 18, 2022, the Parties entered into the First Amendment to the Agreement to extend it for two additional years to audit the Authority’s Financial Statements for Fiscal Years Ending June 30, 2022, and 2023, and to increase the compensation amount to \$36,428 per year, respectively; and to increase professional hourly rates, incorporated and made part of the First Amendment as Exhibit 1.

2.3. The Parties desire to enter into a Second Amendment to the Agreement to increase the compensation to Contractor by an additional ten thousand (\$10,000.00) dollars to audit the Authority’s Financial Statements for Fiscal Year Ending June 30, 2023, in a total amount not to exceed \$46,428.

2.4. In consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions herein contained, the Parties agree as provided in this Second Amendment.

3. AMENDMENT

Section 9 (Compensation) is amended to read as follows:

“9. COMPENSATION. For the full performance of this Agreement:

a. For Contractor’s services to audit Tri-City’s Financial Statements for Fiscal Year ending June 30, 2022, Tri-City shall pay Contractor an additional amount of \$36,428, and professional rates, as proposed in Exhibit 1 to the First Amendment, all other services remain the same as stated on Contractor’s Proposal, incorporated hereto as ‘Exhibit C’, within thirty (30) days following receipt of invoice and completion/delivery of services/goods as detailed in Sections 3 of this Agreement and only upon satisfactory

delivery/completion of goods/services in a manner consistent with professional/industry standards for the area in which Contractor operates. Tri-City is not responsible for paying any work done by Contractor or any subcontractor above and beyond the not-to-exceed amount.

b. For Contractor's services to audit Tri-City's Financial Statements for Fiscal Year ending June 30, 2023, Tri-City shall pay Contractor an additional \$10,000, and a total amount not to exceed \$46,428, as indicated under the letter dated June 8, 2023 from Contractor, attached and incorporated hereto as 'Exhibit 2' to the Second Amendment, and professional hourly rates, as set forth in Exhibit 1 of the First Amendment; all other services remain the same as stated in Contractor Proposal, incorporated herein as 'Exhibit C', within thirty (30) days following receipt of invoice and completion/delivery of services/goods as detailed in Sections 3 of this Agreement and only upon satisfactory delivery/completion of goods/services in a manner consistent with professional/industry standards for the area in which Contractor operates. Tri-City is not responsible for paying any work done by Contractor or any subcontractor above and beyond the not-to-exceed amount.

c. Contractor is responsible for monitoring its own forces/employees/agents/subcontractors to ensure delivery of goods/services within the terms of this Agreement. Tri-City will not accept or compensate Contractor for incomplete goods/services.

d. Contractor acknowledges and agrees that, as an independent contractor, the Contractor will be responsible for paying all required state and federal income taxes, social security contributions, and other mandatory taxes and contributions. Tri-City shall neither withhold any amounts from the Compensation for such taxes, nor pay such taxes on Contractor's behalf, nor reimburse for any of Contractor's costs or expenses to deliver any services/goods including, without limitation, all fees, fines, licenses, bonds, or taxes required of or imposed upon Contractor. Tri-City shall not be responsible for any interest or late charges on any payments from Tri-City to Contractor."

4. REAFFIRMATION OF OTHER TERMS

Except as modified or changed herein, all of the terms and provisions of the Agreement, as amended by the First Amendment, shall remain in full force and effect.

5. EXECUTION

The Parties have executed this Agreement as of the Second Amendment Date.

TRI-CITY MENTAL HEALTH AUTHORITY

EIDE BAILLY LLP

By: _____
Rimmi Hundal, Executive Director

By: _____
Phillip White, Partner

Attest:

By: _____
Micaela P. Olmos, JPA Administrator/Clerk

Approved as to Form:
RICHARDS WATSON & GERSHON

By: _____
Steven L. Flower, General Counsel

DRAFT

EXHIBIT 2

June 8, 2023

Ms. Diana Acosta
Chief Financial Officer
Tri-City Mental Health Authority
1717 North Indian Hill Boulevard Suite B
Claremont, California 91711

Dear Ms. Acosta,

We appreciate the opportunity to serve Tri-City Mental Health Authority (Tri-City) as independent auditors. This letter is intended to set forth the basic understanding that we will incur additional time in performing the financial statement audit and request to amend our contract to account for the additional time.

During fiscal year 2023 audit, three accounting pronouncements will need to be incorporated into the financial statement audit. The pronouncements are as follows:

- Governmental Accounting Standards Statement (GASB) 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements (P3)*
- Governmental Accounting Standards Statement (GASB) 96, *Subscription Based Information Technology Arrangements*
- Governmental Accounting Standards Statement (GASB) 99, *Omnibus*

Additional testing procedures are required related to the new accounting pronouncements. The additional testing procedures include:

- Reviewing Tri-City's assessment of the P3s.
- Reviewing Tri-City's assessment of the contracts for compliance with GASB 96.
- Determining the completeness of Tri-City's GASB 96 implementation.
- Determining the reasonableness of the incremental borrowing rate used by Tri-City to evaluate for GASB 96.
- Performing an assessment of Tri-City's calculation of the intangible asset and related deferred inflows/outflows and liabilities.
- Determining the appropriateness of the prior period restatement and related GASB 96 footnote disclosures.
- Reviewing GASB 99's applicability to Tri-City's financial statements.

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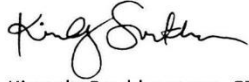
10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

1

Based on the time needed to perform this additional testing, we are proposing an amendment to revise the not to exceed amount by \$10,000. Our fees will be conducted at the hourly rates as noted as noted in the agreement between Tri-City Mental Health Authority and Eide Bailly on May 18, 2022.

We welcome the opportunity to discuss further.

Sincerely,



Kinnaly Soukhaseum, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Tri-City Mental Health Authority by:

Name: _____

Title: _____

Date: _____





**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Consideration of Resolution No. 717 Approving an Agreement with LeaseQuery, LLC for GASB-96 Consulting Services beginning July 19, 2023 and Authorizing the Executive Director to Execute the Agreement and Any Amendments Thereafter

Summary:

Staff is recommending that the Governing Board authorize the Executive Director to execute a software subscription agreement with Lease Query, LLC, after finalizing liability negotiations. This software is one of only a few available software products on the market that specifically assists with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, and will efficiently produce accounting transactions along with management of data for the subscription-based information technology arrangements further described below. The initial agreement term is for one year with automatic renewals at the end of each year, which may be terminated 30 days prior to any year end.

Background:

The Governmental Accounting Standards Board (GASB) is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP). The GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs (AICPA). The GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, Subscription-based Information Technology Arrangements. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022, and as for Tri-City would be effective fiscal year beginning July 1, 2022 (year ending June 30, 2023).

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 717 Approving an Agreement with LeaseQuery, LLC for
GASB-96 Consulting Services beginning July 19, 2023 and Authorizing the Executive
Director to Execute the Agreement and Any Amendments Thereafter
July 19, 2023
Page 2

The adoption of this new accounting statement will be reflected in the annual audited financial statements projected to be presented to the Governing Board in October or November of 2023.

As noted above, this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

As noted above, the GASB standards are considered authoritative by state and local governments and GASB Statement No. 96 is required to be implemented in Fiscal Year ending June 30, 2023. The consequences of not adopting and implementing GASB Statement No. 96 could potentially result in an unfavorable financial statement opinion through the course of the annual financial statement audit. The use of this software will provide a more efficient way to manage the various transactions related to accounting of these SBITAs and eliminate potential human error in the manual accounting (i.e. manual excel spreadsheets and journal entries) of these transactions. In Addition, Lease Query's software is supported by an extensive team of accountants and software experts and accordingly are considered experts in this area.

**Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 717 Approving an Agreement with LeaseQuery, LLC for
GASB-96 Consulting Services beginning July 19, 2023 and Authorizing the Executive
Director to Execute the Agreement and Any Amendments Thereafter
July 19, 2023
Page 3**

Fiscal Impact:

The total cost of the software subscription and one-time fees in year one of this agreement will be \$9,570 (\$8,070 recurring fees and \$1,500 one-time fees). The recurring fees of \$8,070 shall be subject to an annual increase of 3% each year thereafter. The funding source will be a combination of MHSA and realignment funds and have been accounted for in the Fiscal Year 2023-24 Annual Operating Budget.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 717 approving an Agreement with LeaseQuery, LLC for GASB-96 Consulting Services beginning July 19, 2023, and authorizing the Executive Director to execute the agreement and any amendments thereafter.

Attachments

Attachment 6-A: Resolution No. 717 – DRAFT

Attachment 6-B: 1. LeaseQuery Subscription Agreement for GASB-96 Services
2. Addendum to LeaseQuery Subscription Agreement for GASB-96
3. LeaseQuery Sales Order GASB-96 -updated 05.25

RESOLUTION NO. 717

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING AN AGREEMENT WITH LEASEQUERY, LLC FOR GASB-96 CONSULTING SERVICES BEGINNING JULY 19, 2023, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA” or “Authority”) desires to enter into a Subscription Services Agreement with LeaseQuery, LLC for consulting services in the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs).

B. LeaseQuery, LLC. is a software that will produce accounting transactions along with management of data for the subscription-based information technology; and its cost for the first year of service is \$9,570 (\$8,070 recurring fees and \$1,500 one-time fees.) The recurring fees of \$8,070 shall be subject to an annual increase of 3% each year thereafter.

2. Action

The Governing Board approves and authorizes the Executive Director to enter into, and execute, a one-year Agreement with LeaseQuery, LLC. for GASB-96 consulting services, commencing on July 19, 2023, with automatic annual renewals at the end of each year.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on July 19, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____ By: _____

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT, by and between LeaseQuery and Client, is effective as of the Effective Date. Each of Client and LeaseQuery is referred to herein as a “party” and collectively as the “parties.” In consideration for the mutual covenants and agreements contained in this Agreement (as defined below), the parties agree as follows:

1. DEFINITIONS.

1.1 “Accounting Standards” means (i) with respect to a Sales Order that includes the purchase of a subscription to LeaseQuery’s software for management of leases, FASB ASC Topic 840, FASB ASC Topic 842, and either (as elected by Client during implementation) (a) IFRS 16 or (b) GASB No. 13 and GASB No. 87, (ii) with respect to a Sales Order that includes the purchase of a subscription to LeaseQuery’s software for management of SBITAs, GASB No. 96, and (iii) with respect to a Sales Order that includes the purchase of a subscription to any other product, if applicable to such other product, as defined in such Sales Order or addendum to this Agreement relating to such other product.

1.2 “Agreement” means this Subscription Agreement, including any schedules, addenda and exhibits hereto.

1.3 “Beta Services” means services or functionality that LeaseQuery may make available to Client to try at its option at no additional charge which is designated as beta, pilot, limited release, developer preview, nonproduction, evaluation or by a similar description.

1.4 “Business Day” means any day on which the New York Stock Exchange is open for unrestricted trading.

1.5 “Certified Service Partner” means any third party that is a member of LeaseQuery’s certified service partner program for the Solution, which program requires, as a condition to such membership, that the participating organization, among other things, successfully complete LeaseQuery’s Certified Service Partner training program and enter into a certified service partner agreement with LeaseQuery.

1.6 “Client” means the entity listed on the signature page of this Agreement and any of its Client Subsidiaries that accesses the Solution at any point during the term of this Agreement. “Client” shall exclude any Client Subsidiary that, during the term of this Agreement, does not access the Solution, which Client Subsidiary shall be deemed a third party for purposes of this Agreement.

1.7 “Client Data” means all Client Confidential Information that is entered into the Solution.

1.8 “Client Subsidiary” means (i) any entity which is directly or indirectly owned by the entity listed on the signature page of this Agreement, or (ii) any entity whose financial statements are required to be consolidated with Client’s financial statements. For purposes of the preceding sentence, “directly or indirectly owned” means direct or indirect ownership of more than 50% of the voting interests of the subject entity.

1.9 “Client Feedback” means suggestions, enhancement requests, recommendations or other feedback provided by Client or its personnel relating to the operation or functionality of the Solution or the content of the Documentation.

1.10 “Confidential Information” means (i) information that is marked by the disclosing party as “confidential,” (ii) whether or not marked as “confidential,” information of a party of a special and unique nature and value relating to such matters as trade secrets, know-how, systems, programs, developments, designs, procedures, manuals, products, financial statements or forecasts, confidential reports and communications, in each case whether such information is shared prior to or during the term of the Sales Order, and (iii) with respect to LeaseQuery’s Confidential Information, the terms and conditions of this Agreement, any Sales Order, or any drafts thereof, including without limitation all terms relating to pricing.

1.11 “Dispute” means any controversy or claim between the parties arising out of or relating to this Agreement or any Sales Order, the breach, termination, enforcement, interpretation or validity thereof, or any services provided under this Agreement or Sales Order, whether in contract, tort or otherwise.

1.12 “Documentation” means the user instructions and specifications for the Solution described in the Solution, as may be updated by LeaseQuery from time to time.

1.13 “Effective Date” means the date this Agreement is last signed below.

1.14“FASB ASC Topic 840” means Accounting Standards Codification® Topic 840, *Leases*, as promulgated by the Financial Accounting Standards Board.

1.15“FASB ASC Topic 842” means Accounting Standards Codification® Topic 842, *Leases*, as promulgated by the Financial Accounting Standards Board (or any successor standard), as may be modified by the Financial Accounting Standards Board from time to time.

1.16“Force Majeure Event” means any event that is reasonably beyond the control of the party, including, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, governmental action after the Effective Date, fire, communication line failures, power failures, earthquakes, or other disasters.

1.17“GASB” means the Governmental Accounting Standards Board.

1.18“GASB No. 13” means Statement No. 13 of the GASB, *Accounting for Operating Leases with Scheduled Rent Increases*.

1.19“GASB No. 87” means, commencing with Client’s fiscal year-end financial statements for fiscal years beginning after December 15, 2019, Statement No. 87 of the GASB, *Leases*, as may be modified by the GASB from time to time.

1.20“GASB No. 96” means, commencing with fiscal years starting after June 15, 2022, Statement No. 96 of the GASB, *Subscription-Based Information Technology Arrangements*, as may be modified by the GASB from time to time.

1.21“IFRS 16” means International Financial Reporting Standards (IFRS) 16, *Leases*, as promulgated by the International Accounting Standards Board (or any successor standard), as may be modified by the International Accounting Standards Board from time to time.

1.22“Initial Term” means the initial term of an applicable Sales Order, as set forth in such Sales Order; provided, however, that if such Sales Order does not contain an Initial Term, the Initial Term shall be one year, commencing on the date such Sales Order is last signed by the parties.

1.23“Integration” means any application programming interface or other functionality that integrates the Solution with a third-party application, such as (without limitation) Client’s third-party general ledger accounting software, through LeaseQuery’s integration platform referred to as LeaseQuery Connect or otherwise.

1.24“Intellectual Property Rights” means any and all common law, statutory and other intellectual property rights, including, without limitation, copyrights, trademarks, trade secrets, patents and other proprietary rights issued, honored or enforceable under any applicable laws anywhere in the world, and all moral rights related thereto.

1.25“LeaseQuery” means LeaseQuery, LLC, a Delaware limited liability company.

1.26“Legal Notices” shall be as defined in Section 10.1 of this Agreement.

1.27“NDA” means any confidentiality or nondisclosure agreement (or other agreement with a similar purpose) entered into by the parties hereto or their respective affiliates in consideration of potentially entering into the business relationship governed by this Agreement.

1.28“Preexisting Materials” means all items of property (including, without limitation, equipment and Intellectual Property Rights) that such party owned prior to the provision of any Professional Services.

1.29“Professional Services” means, if applicable for the purchased subscription, any services purchased by Client that are provided by LeaseQuery’s personnel or its subcontractors’ personnel for the implementation of the applicable Solution or ongoing support of Client in connection with its use of the Solution. For the avoidance of doubt, the provision of access to the Solution is not a Professional Service.

1.30“Record” means any individual record with a unique identifier that is entered into and stored in the Solution. With respect to LeaseQuery’s Solution for leases, a single leased asset may be comprised of multiple Records (such as for land and improvements), and a single contract may provide for multiple leased assets.

1.31“Renewal Term” has the meaning set forth in Section 6.1 of this Agreement.

1.32“Sales Order” means any sales order or statement of work (as may be amended by a change order, amendment or otherwise, from time to time) that (i) describes the LeaseQuery products and services purchased by Client and the fees related thereto, (ii) specifically incorporates by reference the terms and conditions of this Agreement, and (iii) is signed by both parties.

1.33“SBITA” means subscription-based information technology arrangements, as defined in GASB No. 96.

1.34“Sensitive Personal Information” means an individual’s (i) government-issued identification number, including without limitation a Social Security number, driver’s license number, or state-issued identification number, (ii) financial account number, credit reporting information, or credit, debit or other payment cardholder information, with or without any required security or access code, personal identification number, or password that permits access to the individual’s financial account, or (iii) biometric, genetic, health or health insurance data.

1.35“Solution” means the specific LeaseQuery product, to which Client purchases a subscription pursuant to a Sales Order, that is hosted by LeaseQuery or by a third-party hosting service provider for LeaseQuery.

1.36“Taxes” means any direct or indirect local, state, federal or foreign taxes, levies, duties or similar governmental assessments of any nature, including, without limitation, value-added, excise, sales, use or withholding taxes.

1.37“Update” means a modification to the Solution or workaround to fix bugs, correct errors or maintain material compliance with the Accounting Standards.

1.38“Upgrade” means any modification to the Solution that is not an Update, including, without limitation, a new version or release of the Solution that adds new features, functional capabilities or other improvements to the Solution.

2. SCOPE OF SERVICES.

2.1 Provision of Access to the Solution. By entering into a Sales Order, (i) Client subscribes for access to the Solution, and (ii) LeaseQuery agrees to enable Client to access the Solution via a website in accordance with and subject to the terms and conditions of the applicable Sales Order and this Agreement. LeaseQuery will make commercially reasonable efforts to maintain availability of the Solution in accordance with the SLAs set forth in Exhibit A hereto, but Client acknowledges and agrees that LeaseQuery shall not be responsible for any downtime of the Solution other than as set forth in Exhibit A.

2.2 Updates. LeaseQuery will make commercially reasonable efforts to release Updates to the Solution as necessary to ensure that throughout the term of the applicable Sales Order, the Solution operates in material compliance with the Accounting Standards, provided that Client has paid all fees that are due under this Agreement and such Sales Order. Client acknowledges that LeaseQuery is not required or obligated to provide any Updates or any Upgrades to the Solution other than those which are necessary for the Solution to continue to operate in material compliance with any Accounting Standards. Any Updates or Upgrades that are not necessary for the Solution to continue to operate in material compliance with any Accounting Standards may be offered separately with different pricing. Client agrees that its purchase of the subscription and any Professional Services (if applicable) is not contingent on the delivery of any future functionality or features or dependent on any oral or written comments made by LeaseQuery regarding future functionality or features.

2.3 Professional Services (if applicable). All Professional Services, if any, will be provided remotely. LeaseQuery may subcontract the performance of any Professional Services. LeaseQuery will be responsible for the quality of any Professional Services performed by such subcontractors to the extent LeaseQuery would be responsible to Client under this Agreement had LeaseQuery provided such Professional Services. Unless otherwise set forth in an applicable Sales Order, each deliverable shall be deemed delivered and accepted upon its delivery. Professional Services, which are applicable only if they are included in the applicable Sales Order, are described below in this Section.

- (a) *Organizational Database Structure Setup.* LeaseQuery will coordinate with Client to structure Client’s database in the Solution in a manner that is consistent with Client’s unique organizational structure as it relates to consolidated financial reporting. In order to complete this implementation step and any of the steps in the following subparagraphs of this Section, during the first 60 days of Client’s subscription, Client shall (i) designate a point person at Client’s corporate office (such as a controller) to serve as project manager for Client, (ii) provide LeaseQuery with, as applicable, an accurate, complete and detailed explanation of Client’s cost centers, profit centers, business units, divisions, regions and locations, (iii) within no more than 30 days after LeaseQuery’s request, provide LeaseQuery with Client’s accurate and complete organizational structure chart showing which Records should roll-up into which entities, and if and how those entities roll-up into a parent entity for financial reporting purposes, and (iv) provide any other information requested by LeaseQuery in order to complete this implementation step.
- (b) *Bulk Record Migration Service.* Solely to the extent included in the Sales Order, LeaseQuery will review with Client a standard template for the bulk upload of Records in Microsoft Excel. LeaseQuery will, in consultation with Client, perform a test migration of a sample of source documents provided by Client and review the results. Any necessary modifications to the template or otherwise that LeaseQuery identifies during this initial test will be discussed with Client and incorporated and/or implemented. Following this review, Client will populate the template with all necessary data

and provide LeaseQuery with the properly populated and formatted template in Microsoft Excel, which LeaseQuery will use to perform one full bulk Record migration. LeaseQuery will then assist Client with a reconciliation of the migrated lease data to Client's commitments or minimum future payments disclosure. The fixed fee for the bulk Record migration service shall include up to eight (8) hours devoted by LeaseQuery to correcting errors in the Client-populated template; any additional time in excess of eight (8) hours will be invoiced separately at LeaseQuery's then-current standard hourly rates. Client acknowledges that (i) it may be necessary or more efficient to manually enter contracts with complex or nonstandard terms (such as real estate leases with escalation clauses, for example) and (ii) Client's failure to populate the bulk upload template with complete and accurate information may significantly delay Client's implementation. For the avoidance of doubt, this implementation service is limited to the bulk upload of data necessary to create Records in the Solution, and it does not include the upload of any source documents, such as contracts, which may be uploaded by Client or, at Client's request, by LeaseQuery pursuant to the following subparagraph. After the bulk Record migration service is complete, Client may, without LeaseQuery's assistance, re-use the configured bulk Record migration template to perform additional bulk Record migrations (such as, for example, if Client acquires another organization and wishes to migrate its contracts) during the term of the applicable Sales Order without any additional bulk Record migration fees charged by LeaseQuery.

- (c) *Contract Analysis and Record Entry.* Solely to the extent set forth in the Sales Order, LeaseQuery will analyze Client's relevant contracts provided by Client in an organized fashion and in the format requested by LeaseQuery and enter any related Records into the Solution. If requested by Client, LeaseQuery will also upload the contracts (as source documents) and attach each such contract to the Record to which it relates. If, pursuant to the Sales Order, Client purchases an implementation package for contract analysis and Record entry services covering up to a certain number of Records for an upfront fee, Client will provide LeaseQuery with all information (in the format requested by LeaseQuery) necessary to analyze such contracts, enter the Records and perform any other Professional Services related thereto; provided, however, that any source documents provided to LeaseQuery more than 60 days after the execution of the Sales Order shall not be considered part of the purchased implementation package, will not be included in the fixed fee for such implementation package set forth in the Sales Order, and will be invoiced as an "additional Record" at the per-Record rate set forth in the Sales Order. For clarity, it is the responsibility of Client to determine which of its contracts are governed by the applicable Accounting Standards and therefore should be managed by the Solution.
- (d) *Custom Journal Entry Export.* Solely to the extent set forth in the Sales Order, after LeaseQuery reviews with Client the specifications of the Solution's standard journal entry exportation, Client may submit a one-time request for any of the following customizations thereto: (i) selection of columns to be included in the export with unique ordering and naming; (ii) custom formatting of LeaseQuery data points; (iii) population of certain fields in the export based on logic formulas; (iv) concatenation of LeaseQuery data points; (v) for leases, bifurcation of total lease expense into liability lease expense and asset lease expense; and (vi) configuration of output as either a .csv file or .txt file. Any other configurations, and any requests or modifications submitted after configuration work begins, are out-of-scope. All configurations shall be deemed part of the Solution and accessible throughout the term of the subscription therefor. Customized journal entry exports are not custom reports and cannot be used to reverse transactions.
- (e) *Other Professional Services.* As part of the implementation of the Solution and/or on an ongoing basis, LeaseQuery may provide additional Professional Services in the form, type and manner mutually agreed by the parties, subject to the terms of this Agreement and any applicable Sales Order.

2.4 Limitations of Services. Client acknowledges that LeaseQuery is not a registered public accounting firm, and some or all of the Professional Services (if any) may be performed by individuals who are not certified public accountants. LeaseQuery's performance of services, including the provision of access to the Solution and the performance of any Professional Services, does not constitute an audit in accordance with generally accepted auditing standards, an examination of or any other form of assurance with respect to internal controls, or other attestation, review or compilation services in accordance with standards or rules established by the American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board or any other regulatory body. LeaseQuery will not express, and will not be deemed to have expressed, an opinion or any other form of assurance with respect to any matters as a result of the performance of any such services, including with respect to Client's financial statements, tax returns or Client's operating or internal controls. LeaseQuery will not perform, and will not be deemed to have performed, any evaluation of Client's internal controls and procedures for financial reporting upon which Client's management can base its assertions in connection with the Sarbanes-Oxley Act of 2002, as amended, or any related rules or regulations. LeaseQuery will not make any representations or warranties and will not provide any assurances that Client's disclosure controls and procedures are compliant with the certification requirements of, or that Client's internal controls and procedures for financial reporting are effective as required by, any applicable law. Neither the Solution nor any Professional Services may be relied upon to identify errors or fraud should they exist. LeaseQuery does not provide legal or tax services, and none of its services will be performed by attorneys. Client acknowledges and agrees that LeaseQuery is not, and will not agree to be named as, an expert under the Securities Act of 1933, as amended, or any other state or federal securities laws.

3. CLIENT DUTIES AND RESPONSIBILITIES.

3.1 Use of Output and Professional Services. Client's access to the Solution and Client's use of any outputs therefrom, all Professional Services (if any) and all other deliverables by LeaseQuery, shall be solely for Client's benefit and are not intended to be relied upon, and shall not be relied upon, by any other party. Client shall not disclose the outputs, Professional Services or other deliverables, or refer to the Solution, outputs therefrom, Professional Services or other deliverables, in any communication to any third party other than (i) Client's independent auditors solely in connection with their audit of Client's financial statements, (ii) Certified Service Partners solely for the purpose of providing implementation-related services for Client that are permitted under LeaseQuery's certified service partner program and provided such Certified Service Partners comply with the restrictions set forth in this sentence, (iii) regulatory authorities with jurisdiction over Client to the extent required by such authority, and (iv) to the extent required by an order of a court of competent jurisdiction or a valid subpoena, provided that, in the case of this subclause (iv), Client provides LeaseQuery with prompt written notice of any such requirement and reasonably cooperates, at LeaseQuery's expense, with LeaseQuery's efforts to obtain a protective order or otherwise limit such disclosure. In the event Client creates its own materials based on the content of the outputs, Professional Services or other deliverables for disclosure to a third party, Client shall not in any way, expressly or by implication, attribute such materials to LeaseQuery or identify LeaseQuery as the source of the content reflected in such Client-created materials.

3.2 Restrictions on Use of the Solution. Client shall not (i) use the Solution in any way that violates the terms of this Agreement, the Documentation, Sales Order or applicable law; (ii) modify, copy or create any derivative works based on, or reverse engineer or decompile, the Solution, Documentation or any portion thereof; (iii) attempt to license, sell, resell, rent, lease, transfer, assign, distribute, time share, offer in a service bureau, or otherwise share Client's access to the Solution with any third party, except that such access may be shared as permitted under this Agreement with Client's employees (provided that separate login credentials are created for and used by each authorized user) and, solely for the purpose of providing Professional Services (if applicable) for Client that are permitted under LeaseQuery's certified service partner program, a Certified Service Partner; (iv) use Client's access to the Solution or Documentation for any benchmarking or competitive purpose or to build or design any commercially available product or service; (v) interfere with or disrupt performance of the Solution or the data contained therein; (vi) attempt to gain access to the Solution or LeaseQuery's related systems or networks in a manner not set forth in this Agreement; (vii) use Client's access to the Solution to send or store infringing, obscene, threatening, or otherwise unlawful or tortious material, including, without limitation, material that violates privacy, confidentiality, Intellectual Property Rights or other rights of third parties; (viii) share any Sensitive Personal Information with LeaseQuery or enter, or cause or request to be entered, any such information into the Solution; or (ix) access the Solution for the benefit of, or for any purpose if Client is, a competitor of LeaseQuery. Client shall be liable for the acts and omissions of all Client-authorized users relating to this Agreement or any Sales Order. LeaseQuery may alter, suspend or discontinue all or a portion of Client's access to the Solution if LeaseQuery reasonably suspects that (a) Client's access to the Solution may be causing harm to LeaseQuery or other users, or (b) such suspension is necessary to comply with law or a request from a law enforcement agency or to prevent, remediate or mitigate an actual or potential security incident. LeaseQuery will use commercially reasonable efforts to resolve the issues causing the suspension of the Solution. Client agrees that no information obtained through the Solution or the Professional Services (if applicable) will be acquired for, shipped, transferred, or re-exported, directly or indirectly, to proscribed or embargoed countries or their nationals, nor be used for nuclear activities, chemical biological weapons, or missile projects unless authorized by the U.S. government. Proscribed countries are set forth in the U.S. Export Administration Regulations and are subject to change without notice, and Client must comply with the list as it exists in fact. Client and its authorized users shall not access the Solution from Cuba, Iran, North Korea, or Syria. Client represents and warrants that either (a) Client does not and will not have any users located in the Russian Federation, or (b) in the event that Client requests access for a user located in the Russian Federation, (x) Customer is owned or controlled by U.S. persons or U.S. entities, or (y) Client will not request that LeaseQuery perform contract analysis and Record entry services as described in this Agreement or any advisory or consulting services. Client certifies that neither it nor any of its users are on the U.S. Department of Commerce's Denied Persons List or affiliated lists or on the U.S. Department of Treasury's Specially Designated Nationals List. Client shall reimburse LeaseQuery for all costs incurred in enforcing the use restrictions in this Section, including, without limitation, attorneys' fees, legal costs, and court or arbitration costs.

3.3 Responsibility for Client Data. Client is exclusively responsible for its financial statements, tax returns, and the accuracy, quality and legality of all Client Data, including, without limitation, obtaining all required authorizations, permissions and consents necessary for LeaseQuery and its contractors and subcontractors to access and use the Client Data in accordance with this Agreement. LeaseQuery shall not be responsible for (i) any Client Data entered into the Solution by Client, or (ii) any judgments made (whether by Client or LeaseQuery) with respect to any inaccuracies, ambiguities or inconsistencies in any agreement containing Client Data. Client is responsible for the use of the output which it obtains from the Solution.

3.4 Responsibility for Users and Authentication Credentials. Client shall (i) be responsible for safeguarding its user names and passwords, (ii) be responsible for the identification and authentication of its users and any access, whether or not authorized by Client, to the Solution that results from the actions or omissions of Client or any of its personnel, and (iii) notify LeaseQuery promptly of any unauthorized access or use.

3.5 Cooperation with Provision of Professional Services. If Client purchases Professional Services, Client shall cooperate reasonably and in good faith with LeaseQuery in the execution of the Professional Services by, without limitation, (i) attending and actively participating in scheduled meetings; (ii) promptly providing complete, accurate and timely information, data and responses as requested by LeaseQuery; and (iii) promptly completing any other tasks or approvals that are reasonably necessary to enable LeaseQuery to efficiently complete the Professional Services.

3.6 Client Subsidiaries. The party named on the signature page of this Agreement on behalf of Client (i) represents and warrants that it has the authority to enter into this Agreement and any Sales Order on behalf of each of its Client Subsidiaries and bind each such Client Subsidiary to the terms and conditions of this Agreement and any applicable Sales Order, (ii) shall be jointly and severally responsible for each such Client Subsidiary, and (iii) shall ensure that each such Client Subsidiary complies with the terms and conditions of this Agreement and any applicable Sales Order.

3.7 Purchase by Client Affiliates of LeaseQuery Products and Services. If any Client Subsidiary or affiliate of Client (or, with respect to customers subject to the GASB's financial reporting requirements, any related governmental entity) wishes to incorporate the terms of this Agreement with respect to its purchase of its own separate subscription or Professional Services from LeaseQuery, and LeaseQuery wishes to sell such subscription and/or Professional Services pursuant to such terms, such Client Subsidiary or other affiliate may do so by entering into a separate Sales Order that specifically incorporates the terms of this Agreement, in which event, notwithstanding anything to the contrary herein, solely with respect to such Sales Order, the terms of this Agreement shall apply to such Sales Order as if this Agreement were entered into between LeaseQuery and such Client Subsidiary or affiliate (rather than with the party that executed this Agreement for Client). If any Client Subsidiary or affiliate of Client requests to incorporate these terms, Client hereby consents to LeaseQuery's disclosure of these terms and any applicable Sales Order to such Client Subsidiary or affiliate.

3.8 Certified Service Partners. If Client elects to engage any Certified Service Partner to provide any Professional Services that are permitted under LeaseQuery's certified service partner program, Client (i) acknowledges and agrees that any such services provided by any Certified Service Partner shall be provided directly to Client, solely for the benefit of and reliance by Client, and subject to any terms or conditions that may be entered into directly between Client and such Certified Service Partner; (ii) acknowledges and agrees that no such Certified Service Partner shall be deemed a subcontractor, agent or client of LeaseQuery, and LeaseQuery shall have no responsibility for, and shall have no obligation to review, any services provided by any Certified Service Partner; and (iii) hereby releases LeaseQuery from any claims arising out of or relating to any services provided by any Certified Service Partner for Client.

4. INTELLECTUAL PROPERTY RIGHTS.

4.1 Ownership; Reservation of Rights. LeaseQuery owns and reserves all right, title and interest in and to the Solution, Documentation and other LeaseQuery Intellectual Property Rights. No rights are granted to Client under this Agreement or any Sales Order other than as expressly set forth in this Agreement. Under no circumstance will Client have the right to access the object code or source code for the Solution. By submitting Client Feedback, Client hereby assigns to LeaseQuery all right, title and interest in and to such Client Feedback. LeaseQuery shall have no obligation to accept or incorporate Client Feedback, and Client shall have no obligation to provide Client Feedback.

4.2 Client Data. Client agrees to allow LeaseQuery to collect Client Data and use Client Data for the purposes of providing and improving the Solution and performing Professional Services (if applicable). As between Client and LeaseQuery, Client owns all Client Data. Notwithstanding anything to the contrary in this Agreement, LeaseQuery may anonymize and/or aggregate any data obtained from the Solution or the operation thereof, including, without limitation, performance results for the Solution, information derived from data inputted into the Solution, reports generated by the Solution, and any derivative works of any of the foregoing. LeaseQuery shall own and may utilize such anonymized and/or aggregated information for purposes of LeaseQuery's business, provided that LeaseQuery's use thereof will not directly or indirectly reveal through any reasonably foreseeable method the identity of Client, any individual or any specific data entered by Client (or by LeaseQuery on behalf of Client) into the Solution.

4.3 Professional Services; Preexisting Materials. In connection with the provision of Professional Services (if applicable), each party shall be the sole and exclusive owner of all Intellectual Property Rights in and to its Preexisting Materials and any modifications, derivatives, or improvements it makes thereto. Except as expressly set forth herein, both parties understand and agree that no license, right, title or interest in any of the other party's Preexisting Materials or Intellectual Property Rights is granted under this Agreement and neither party will gain by virtue of this Agreement or any Sales Order any rights of ownership in any Intellectual Property Rights or Preexisting Materials owned by the other party. Neither party shall make, have made, sell, offer to sell, use, disclose, reproduce, distribute, perform, display, modify, copy or create derivative works of any of the other party's Preexisting Materials or Intellectual Property Rights in any form or forum without the other party's prior written consent.

4.4 Indemnification for Infringement. LeaseQuery shall indemnify, defend and hold Client harmless from and against any third-party claims or suits arising out of actual infringement by the Solution and the reports generated by the Solution of the third-party's Intellectual Property Rights, provided that (i) Client immediately notifies LeaseQuery in writing of the third-party claim, (ii) Client tenders to LeaseQuery complete control of the defense, and (iii) Client cooperates with LeaseQuery in its defense of the claim at LeaseQuery's expense. These obligations of LeaseQuery do not apply with respect to claims arising out of or related to Client Data or to portions or components of the Solution or reports generated by the Solution (A) that (in the case of reports generated by the Solution) are modified (other than by LeaseQuery) after delivery by LeaseQuery, (B) where Client continues the allegedly infringing activity after being notified thereof, or (C) where Client's use of the Solution or reports generated by the Solution is not in accordance with this Agreement and the applicable Sales Order. If LeaseQuery or Client is enjoined from providing access to, or using, the Solution or LeaseQuery reasonably believes that LeaseQuery or Client will be enjoined, LeaseQuery shall have the right, at its sole option, to obtain for Client the right to continue to access the Solution or to replace or modify the Solution so that it is no longer infringing. If neither of the foregoing options is commercially practicable to LeaseQuery, then Client's access to the Solution may be terminated at the option of LeaseQuery and LeaseQuery shall refund or offset against other amounts due to LeaseQuery any prepaid subscription fees prorated for the portion of the then-current term remaining after the effective date of the termination. The obligations set forth in this paragraph shall be LeaseQuery's sole and exclusive obligations, and Client's sole and exclusive remedy, for infringement.

5. FEES; CHARGES.

5.1 Invoices; Payment. Fees and expenses will be invoiced to Client in accordance with the terms and conditions of this Agreement, unless otherwise agreed by the parties and set forth in the applicable Sales Order. All fees and expenses due under this Agreement or any Sales Order shall be due and payable within thirty (30) days of the invoice date. Client shall provide LeaseQuery with complete and accurate billing and contact information, including a valid email address for receipt of invoices, and shall promptly update LeaseQuery with any changes to such information. Except as specifically set forth in this Agreement, all payment obligations are non-cancelable and all payments made are non-refundable. Any payment not received from Client by the due date will accrue interest from the date such payment is due until the date such payment is paid at the compounded monthly rate of the lesser of 1.0% of the outstanding balance or the maximum rate permissible under applicable law. Client shall reimburse LeaseQuery for all costs incurred in collecting any overdue payments and related interest, including, without limitation, attorneys' fees, legal costs, court or arbitration costs and collection agency fees.

5.2 Recurring Fees. LeaseQuery reserves the right to adjust recurring fees in connection with any renewal of the Sales Order. Any such change may be evidenced solely by the invoice submitted by LeaseQuery for such upcoming Renewal Term; provided, however, that with respect to any increase in annual subscription fees by an amount that exceeds an annual, compounded rate of three percent (3%), calculated from the Effective Date through the effective date of the increased fees, LeaseQuery must first provide such invoice or other notice to Client at least 60 days before the end of the then-current term. All fees are based on access rights acquired and shall not be contingent on any actual access, the entry of any data or information into the Solution or the completion of any Client-requested software integration or software development; provided, however, that in the event that an applicable Sales Order provides that additional or supplemental fees shall be payable if a specified number of Records is exceeded (a "Record Threshold"), (i) the number of Records to be measured against the Record Threshold shall be calculated as the maximum number of Records maintained by the Solution at any time during the term of the applicable Sales Order, and (ii) once such Record Threshold has been exceeded, such additional or supplemental fees may be invoiced, and shall be payable, in advance for the remainder of the then-current term and shall be calculated based on the number of full or partial months (without intramonth proration) from the date such Record Threshold is exceeded through the end of the then-current term.

5.3 Professional Service Fees. Unless otherwise agreed upon by the parties, all Professional Services (if applicable) specifically described in a Sales Order shall be provided for the fees set forth in such Sales Order, provided that LeaseQuery reserves the right to change such fees upon 60 days' notice (which may be in the form of an invoice) in connection with a renewal of the Sales Order. Solely with respect to a Sales Order that includes the purchase of a subscription to LeaseQuery's Solution for leases, any fees for contract analysis and Record entry services set forth in the Sales Order (whether paid upfront based on a maximum number of Records or per-Record on an ongoing basis) include, for each Record, one original lease and one amendment. An additional \$100 fee will apply for each additional amendment (invoiced no more frequently than monthly in arrears). To the extent LeaseQuery does not receive during the first 60 days after the Effective Date (and, with respect to Client's accurate and complete organizational structure as described in Section 2.3(a) of this Agreement, within no more than 30 days after LeaseQuery's request) information necessary to complete any of the implementation-related Professional Services described in Section 2 of this Agreement, LeaseQuery will reallocate its resources as needed to perform such Professional Services after Implementation at LeaseQuery's then-current standard hourly rates or, in the case of contract analysis and Record entry services, at the per-Record rate set forth in the Sales Order for such services provided on an "as needed" basis. Unless otherwise specified in an applicable Sales Order, all Professional Services shall be provided on a time and materials basis at LeaseQuery's then-current standard rates and invoiced in arrears no more frequently than on a monthly basis in increments not to exceed one hour.

5.4 Suspension of Services. Without limiting any of LeaseQuery's rights to suspend or discontinue access to the Solution pursuant to any other provision of this Agreement, LeaseQuery may, without liability to Client, alter, suspend, or discontinue all or a portion of Client's access to the Solution and/or any Professional Services at any time if LeaseQuery believes in good faith that Client has breached, or has communicated its intention to breach, any of the terms of this Agreement with respect to such Solution or any Sales Order, including, without limitation, the failure to pay any invoiced fees or expenses in a timely manner.

5.5 Taxes. LeaseQuery's fees do not include any Taxes. Client is responsible for paying all Taxes related to this Agreement or any Sales Order, excluding LeaseQuery's income taxes. If LeaseQuery has a legal obligation to pay or collect Taxes for which Client is responsible under this section, regardless of when LeaseQuery is made aware of such legal obligation, the appropriate amount shall be invoiced to and promptly paid by Client (without reducing the amount of fees or expense reimbursements to which LeaseQuery is entitled under this Agreement and any Sales Order), unless Client provides LeaseQuery with a valid tax exemption certificate authorized by the appropriate taxing authority.

6. TERM AND TERMINATION.

6.1 Term of Sales Order. Unless otherwise specified in the Sales Order, the term of each Sales Order shall commence on the date such Sales Order is last signed by the parties and shall continue for the Initial Term thereof. Thereafter, such Sales Order shall automatically renew for an unlimited number of consecutive terms, each of the same duration as the immediately preceding term (each, a "Renewal Term") unless (i) otherwise specified in a Sales Order or (ii) either party provides written notice of such party's determination not to renew the Sales Order at least 30 days and no more than 120 days prior to the end of the then-current term. In the event either party declines to renew any Sales Order in accordance with the preceding sentence for any or no reason, such party shall not have any liability to the other party merely as a result of such non-renewal, including without limitation any claim for detrimental reliance.

6.2 Term of this Agreement. This Agreement shall remain in effect until all Sales Orders have been terminated, at which point this Agreement shall automatically terminate. For the avoidance of doubt, if any Sales Order is terminated, the terms of this Agreement shall continue to apply to any other Sales Order that has not been terminated.

6.3 Termination. Any Sales Order may be terminated by either party if the other party materially breaches the terms or conditions of this Agreement with respect to such Sales Order and the breaching party fails to cure such breach within 30 days of the date that written notice of the breach is given by the non-breaching party. In addition, any Sales Order may be immediately terminated by LeaseQuery with written notice to Client if LeaseQuery determines that the provision of services in exchange for the fees as set forth in this Agreement or in the applicable Sales Order may be in conflict with law or would subject LeaseQuery to industry-specific registration, certification, licensing or similar requirements.

6.4 Effect of Termination. Upon a termination of any Sales Order or this Agreement for any reason, Client shall promptly (but in no event within more than 30 days) pay LeaseQuery all amounts owed as of the effective date of the termination, including, without limitation, the subscription fees for the unexpired then-current term (to the extent not already paid). Client may request the exportation of its Client Data at any point during the term of this Agreement, provided such access has not been suspended in accordance with the terms of this Agreement. In addition, LeaseQuery will retain the Client Data then stored in the Solution for at least 90 days following the effective date of the termination of this Agreement. Upon LeaseQuery's receipt during such 90-day period of Client's written request, so long as all amounts due to LeaseQuery under this Agreement and all Sales Orders have been paid, LeaseQuery will make all such Client Data available to Client in a .csv or other mutually agreeable format. Following this 90-day period, Client may permanently lose its data.

7. REPRESENTATIONS; WARRANTIES; DISCLAIMERS.

7.1 Representations and Warranties. Each party represents, with respect to this Agreement and any applicable Sales Order, that (i) it has the requisite power, authority and capacity to enter into this Agreement or the Sales Order, and (ii) this Agreement and the Sales Order each constitute a legal, valid and binding obligation, enforceable against such party. Client represents and warrants that it (a) is not a competitor of LeaseQuery and (b) has obtained all required authorizations, permissions and consents necessary for LeaseQuery and its contractors and subcontractors to access and use the Client Data for the purposes described herein. LeaseQuery warrants that (1) the Solution shall operate materially in accordance with the terms of this Agreement and the applicable Sales Order, provided that Client's sole and exclusive remedy for noncompliance with the SLAs set forth in Exhibit A are as set forth in Exhibit A; and (2) any Professional Services (if applicable) shall be performed in good faith.

7.2 Warranty Remedies. To receive remedies for LeaseQuery's breach of a warranty, Client must promptly report the breach of warranty in writing to LeaseQuery no later than thirty (30) days of the first date the deficiency is identified by Client. As Client's sole and exclusive remedy and LeaseQuery's sole liability for an act or omission constituting a breach of warranty, (i) LeaseQuery shall correct the deficiency at no additional charge to Client, or (ii) in the event it is not commercially practicable for LeaseQuery to correct

such deficiencies after good-faith efforts, LeaseQuery shall refund to Client or offset against other amounts due to LeaseQuery any fees paid allocable to the defective portion of the service from the date LeaseQuery received such notice.

7.3 DISCLAIMER OF WARRANTIES AND REPRESENTATIONS. Except for the limited warranties and representations expressly provided in Section 7.1 of this Agreement and to the maximum extent permitted by applicable law, LeaseQuery does not make, and specifically negates and disclaims, any warranties, representations, promises, covenants, obligations, agreements or guarantees of any kind, whether express or implied (including, without limitation, any implied warranties of merchantability or fitness for a particular purpose), written or oral, past, present or future, statutory or otherwise, with respect to the Solution, Professional Services and/or related documentation. Client is not relying on, and has not relied on, any other representation, warranty or other information with respect to LeaseQuery, the Solution, or the Professional Services. Client is responsible for making its own evaluation of the adequacy and suitability of the Solution and Professional Services for Client's needs. LeaseQuery does not warrant that the Solution will be error free or uninterrupted or that any integration with a third-party software provider will remain available for the duration of Client's subscription. Loss of internet access or failure of any third-party software, hardware or other interfacing or communicating device is Client's responsibility and is not warranted by LeaseQuery.

8. LIMITATION OF LIABILITY; INDEMNIFICATION.

8.1 DISCLAIMER OF CERTAIN DAMAGES. Under no circumstances shall LeaseQuery or any of its affiliates or subcontractors have any liability whatsoever for (i) any damages of any kind arising out of any interruption in availability of internet connectivity or the Solution, (ii) any damages of any kind arising out of errors in the entry of data or information into the Solution, or (iii) any consequential, indirect, incidental, punitive, special or exemplary damages, loss of Client's profit or revenue, loss of use, loss of data or business interruption damages.

8.2 LIMITATION OF LIABILITY. To the maximum extent permitted by applicable law, in no event shall the aggregate liability of LeaseQuery or any of its affiliates or subcontractors, regardless of the cause and regardless of any other failure of any provision or undertaking in this Agreement, under contract, tort or any other theory of liability (including claims alleging negligence), exceed (i) in case of causes of action that arise out of or relate to Professional Services, the total amounts paid by Client to LeaseQuery for the Professional Services giving rise to the claim during the six months preceding the date such cause of action arises, and (ii) in the case of any other cause of action, 50% of the annualized subscription fee (to the extent paid by Client) as of the date such cause of action arises for the product giving rise to the claim, except to the extent resulting from LeaseQuery's willful misconduct or bad faith. In circumstances where any limitation of liability or indemnification provision in this Agreement is unavailable, the aggregate liability of LeaseQuery and its affiliates and subcontractors for any claim shall not exceed an amount that is proportional to the relative fault that the conduct of LeaseQuery and its affiliates and subcontractors bears to all other conduct giving rise to such claim.

8.3 INDEMNIFICATION. To the maximum extent permitted by applicable law, Client shall indemnify and hold harmless LeaseQuery, its affiliates and subcontractors, and their respective personnel from all claims, liabilities and expenses (including, without limitation, attorneys' fees) attributable to claims of third parties relating to or resulting from the use of the Solution or the use or disclosure of any outputs therefrom, any Professional Services or any other deliverables from LeaseQuery. This indemnification provision applies regardless of whether the third-party claim is caused or alleged to be caused in whole or in part by the indemnified party; provided, however, that it shall not apply to the extent of LeaseQuery's willful misconduct or bad faith.

9. CONFIDENTIALITY.

Each party acknowledges that in the course of this Agreement, it may have access to and may be making use of, acquiring or adding to Confidential Information of the other party. Each party hereby confirms that it will not, using at least the same degree of care as it employs in maintaining in confidence its own Confidential Information of a similar nature (but in no event less than a reasonable degree of care), disclose any such Confidential Information to a third party except with the prior written consent of the other party or as specifically provided in this Agreement. This Agreement imposes no confidentiality obligation upon the receiving party with respect to information that (i) was in the receiving party's possession before receipt from the disclosing party without an obligation to keep such information confidential; (ii) is or becomes available to the public through no fault of the receiving party; (iii) is received in good faith by the receiving party from a third party not subject to an obligation of confidentiality owed to the disclosing party and who discloses the Confidential Information without an obligation of confidentiality; or (iv) is disclosed as required by law or regulation, to respond to governmental inquiries, or in connection with litigation pertaining hereto, provided in each case that the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party's cost, if the other party wishes to contest or otherwise limit the disclosure. If a party discloses (or threatens to disclose) any Confidential Information of the other party in breach of confidentiality protections in this Section, the

other party shall have the right, in addition to any other remedies available, to seek injunctive relief to enjoin such acts, it being acknowledged by the parties that any other available remedies may be inadequate. Client hereby consents to LeaseQuery disclosing Client's Confidential Information to contractors providing administrative, infrastructure and other support services to LeaseQuery, subcontractors providing services in connection with this Agreement, and actual or potential investors or acquirers. With respect to any NDA, notwithstanding anything to the contrary in such NDA, the obligations of the parties under such NDA shall be superseded in their entirety by the observance by the parties of the confidentiality obligations in this Agreement, and any Confidential Information shared under such NDA shall be treated as Confidential Information under this Agreement.

10. MISCELLANEOUS.

10.1 Notices. Except as otherwise expressly specified in this Agreement, all notices related to this Agreement or any Sales Order shall be effective upon (i) personal delivery, (ii) the third Business Day after mailing, (iii) the first Business Day following dispatch using a nationally recognized overnight courier (with all fees prepaid), or (iv) except with respect to notices of direct or indemnifiable claims, demands, waivers, termination or non-renewal of a Sales Order, or a termination of this Agreement (collectively, "Legal Notices"), which shall be clearly identifiable as Legal Notices, the day of sending via email; provided, however, that (in the case of subclauses (i) through (iv) of this sentence) such notice shall be effective only if (a) delivered in accordance with this sentence and (b) with respect to notices to LeaseQuery, a mandatory copy is delivered via email to legalnotices@leasequery.com. Each party may modify its recipient of notices or the address for notices by providing notice pursuant to this Agreement.

10.2 Force Majeure. LeaseQuery will not be liable for any act, omission, or failure to fulfill its obligations under this Agreement or any Sales Order if such act, omission, or failure arises from any Force Majeure Event. If LeaseQuery is unable to fulfill its obligations due to the Force Majeure Event, LeaseQuery will as soon as practicable notify Client in writing of the reasons for its failure to fulfill its obligations and the effect of such failure and use reasonable means to avoid or remove the cause and perform its obligations.

10.3 Marketing. Client acknowledges and agrees that LeaseQuery may use the name, logo or marks of Client and its affiliates in a representative client list or other marketing material. Client may revoke the rights granted in this paragraph at any time by providing at least thirty (30) days' written notice to LeaseQuery via email to legalnotices@leasequery.com.

10.4 Integrations. In the event that, per Client's request, LeaseQuery makes available to Client any Integration, then Client may use such Integration during the term of the applicable Sales Order on a non-exclusive, non-transferable, non-assignable (except pursuant to Section 10.10 of this Agreement) basis, subject at all times to the terms and conditions of this Agreement. Any disclosure of Client Data to a third party through the Integration shall be deemed, for purposes of this Agreement, a disclosure by Client rather than LeaseQuery. The Integration shall be deemed part of the Solution for purposes of this Agreement; provided, however, that any third-party software or third-party data accessed through an Integration is independent from LeaseQuery, and LeaseQuery has no control over, is not responsible for, and makes no warranties or representations regarding, such third-party software, data, website, security or other information accessed through the Integration. Provision of the Integration does not imply that LeaseQuery endorses or accepts any responsibility for the software, content accessed therefrom or availability thereof. Client acknowledges that integrated third-party software providers may, with or without notice, restrict, interrupt, discontinue or terminate the Integration, or require LeaseQuery to do any of the foregoing, in which case the license granted under this Section shall automatically terminate, and LeaseQuery shall not be responsible for, and shall have no liability (including any obligation to provide a refund, credit or other compensation) in connection therewith.

10.5 Beta Services. From time to time, LeaseQuery may make Beta Services available to Client at no charge. Client may choose to try such Beta Services or not in its sole discretion. Any use of Beta Services is subject to the Beta Services Terms and Conditions available at leasequery.com/beta_services_terms.pdf, which may be updated by LeaseQuery from time to time.

10.6 Entire Agreement; Amendment and Modification. This Agreement (together with any Sales Order) contains the entire agreement and understanding among the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements (including, without limitation, any NDA), understandings, proposals, representations, promises, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. Payment of invoices shall not be dependent upon a Client-generated purchase order. Client's provision of any such purchase order under this Agreement shall be for the informational purposes only, and any terms or conditions stated in such purchase order shall be void and will not modify the terms or become part of this Agreement, or otherwise affect either party's rights or obligations, in any way, even if such purchase order is signed by LeaseQuery. The express terms of this Agreement control and supersede any course of performance or usage of the trade inconsistent with any of the terms of this Agreement. No modification, amendment, or waiver of any provision of this Agreement or any Sales Order shall be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. Any click-through terms that Client, or a third party on behalf of Client, requires of LeaseQuery shall have no effect and hereby are deemed null and void.

10.7 Interpretation. This Agreement is the result of negotiations between, and has been reviewed by, the parties and their respective legal counsel, and shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement. If any date on which a party is required to make a payment or a delivery pursuant to the terms of this Agreement or a Sales Order is not a Business Day, then such party shall make such payment or delivery on the next Business Day. Any schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

10.8 Severability. If any provision of this Agreement or any Sales Order is held to be invalid, illegal, or unenforceable, such provision will be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the parties, and the remainder of this Agreement or such Sales Order will remain in full force and effect.

10.9 Waiver. Failure of either party to seek remedy of any breach of any portion of this Agreement or any Sales Order by the other party from time to time shall not constitute a waiver of such rights in respect to the same or any other breach.

10.10 Assignment. Client shall not assign, voluntarily or involuntarily, all or any portion of this Agreement (or any Sales Order) without the prior written consent of LeaseQuery, provided that, upon advance written notice to LeaseQuery, Client may assign all (or a portion) of its rights and obligations under this Agreement (together with all Sales Orders) without LeaseQuery's consent to a successor by merger or a purchaser of all or substantially all of Client's assets, but only if, as reasonably determined by LeaseQuery, such successor or purchaser is not a competitor of LeaseQuery. In the event of a purported assignment or delegation of any of Client's rights or obligations under this Agreement (or any Sales Order) made in violation of this section, such assignment or delegation shall be void, and LeaseQuery shall have the right to terminate this Agreement immediately upon written notice to Client without limiting any of LeaseQuery's other rights or remedies herein. Any assignment or delegation that is made in accordance with this section shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns.

10.11 No Third-Party Beneficiaries. This Agreement and any Sales Order are for the sole benefit of the parties hereto and their respective permitted successors and assigns and nothing herein or in any Sales Order, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement or any Sales Order.

10.12 Limitation on Actions. Except with respect any express indemnification obligation under Section 8.3 of this Agreement, no action relating to any Dispute (other than to collect unpaid invoices) may be brought more than one year after the cause of action accrued, and Client shall not raise any Dispute based on the alleged inaccuracy of an invoice more than ninety (90) days after the invoice date.

10.13 Survival. Notwithstanding anything herein to the contrary, the provisions of Section 1, Section 2.1, Section 3.1, Section 3.2, Section 3.6, Section 3.7, Section 3.8, Section 4, Section 5.5, Section 6.4, Section 8, Section 9 and Section 10 hereof shall survive any termination of this Agreement.

10.14 Conflicts. In the event of a conflict between the terms of this Agreement and a Sales Order, the terms of this Agreement shall control, except to the extent that a Sales Order expressly provides that certain provisions therein shall control over specified provisions of this Agreement.

10.15 Governing Law. Issues of arbitrability shall be determined by an arbitrator in accordance with the federal substantive and procedural laws relating to arbitration; in all other respects, all matters arising out of or relating to this Agreement or any Sales Order shall be governed, construed and enforced in accordance with the laws of the State of Delaware, without reference to the conflicts of law principles that would require the application of any other law.

10.16 Dispute Resolution; Arbitration; WAIVER OF JURY TRIAL. Any Dispute (including, without limitation and for the avoidance of doubt, the determination of the scope or applicability of this Section) shall be finally determined and resolved on an individual basis by binding arbitration in Atlanta, Georgia. The arbitration shall be administered by JAMS Mediation, Arbitration and ADR Services ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures or pursuant to JAMS' Streamlined Arbitration Rules and Procedures, if applicable (collectively, the "Rules") that are in effect at the time of the commencement of the arbitration, except to the extent modified by this section. LeaseQuery and Client agree that each party waives the right to a jury trial and to assert class or collective action claims against the other. The obligation to arbitrate shall extend to and encompass any claims that either party may have or assert against any of the other party's personnel. The arbitration shall be conducted before one arbitrator to be appointed in accordance with the applicable provisions of the JAMS Rules. No arbitrator may serve as an arbitrator with respect to the Dispute unless such arbitrator agrees in writing to abide by the terms of this section. Except with respect to the interpretation and enforcement of these arbitration procedures, the arbitrator shall apply the governing law set forth herein in connection with the Dispute. The arbitrator shall have no power to award damages inconsistent with this Agreement, including the limitations on liability

herein. To the extent the arbitration is governed by JAMS' Streamlined Arbitration Rules and Procedures, no discovery shall be permitted in connection with the arbitration, except to the extent that it is expressly authorized by the arbitrator upon a showing of substantial need by the party seeking discovery. The parties and the arbitrator shall maintain the confidential nature of the arbitration proceeding and the award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. Notwithstanding anything to the contrary in this Section, with respect to any claim brought by LeaseQuery for nonpayment of its fees, expenses or interest, LeaseQuery, in its sole discretion, may elect to bring such claim to mandatory arbitration pursuant to this Section or, alternatively, in the courts of the State of Georgia or the federal courts located in the Northern District of Georgia, and in the event LeaseQuery elects to bring such claim in any of such courts, (i) each party irrevocably submits to the exclusive jurisdiction of such courts, (ii) each party hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, (iii) each of the parties hereby consents to and grants any such court jurisdiction over the person of such parties and over the subject matter of any such Dispute, and (iv) each of the parties hereby irrevocably waives all right to a trial by jury and all right to assert class or collective action claims against the other in any action, proceeding or counterclaim arising out of or relating to this Agreement. Except as otherwise set forth in this Agreement, each party shall bear its own costs in connection with a Dispute, including, without limitation, attorneys' fees and arbitration and court costs.

10.17 Federal Clients. If Client is a U.S. federal government department or agency or contracting on behalf of such department or agency, all services described herein, including the provision of access to the Solution and all Professional Services, are "Commercial Items" as that term is defined at 48 C.F.R. §2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation", as those terms are used in 48 C.F.R. §12.212 or 48 C.F.R. §227.7202, and supporting Professional Services in accordance with paragraph (5) of the definition of "Commercial Item" in 48 C.F.R. §2.101. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through 227.7202-4, as applicable, access to the Solution and supporting Professional Services are provided to Client with only those rights as provided under the terms and conditions of this Agreement and any applicable Sales Order.

10.18 Multiple Counterparts. This Agreement and any Sales Order may be executed in multiple counterparts, including facsimile signatures (e.g., pdf files) and digital signatures using digital software that electronically captures, or otherwise allows a signatory to adopt, an identifying mark as such person's signature to this Agreement or such Sales Order, each of which shall be deemed an original, but all of which shall be deemed to be one and the same agreement. A signed copy of this Agreement or a Sales Order delivered by e-mail or other means of electronic communication shall be deemed to have the same legal effect as delivery of an original signed copy.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Subscription Agreement as of the date last signed below.

LeaseQuery, LLC

By: _____

Name: Joe Gruca

Title: Chief Revenue Officer

Date: _____

[•]

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A
Service Level Agreements (SLAs)

LeaseQuery's Solution is a software-as-a-service based on a multi-tenanted operating model that applies common, consistent management practices for all clients using the service. This common operating model, which requires LeaseQuery to make uniform availability commitments across its client base, allows LeaseQuery to provide the high level of service reflected in its agreements with its clients. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

1. **Service Availability.** LeaseQuery's service availability commitment for a given calendar month is 99.9%, excluding Planned Maintenance. For purposes of calculating service availability, (i) "Total" means the total minutes in the month; (ii) "Unplanned Outage" means the total minutes for which Client notifies LeaseQuery within 30 days after the end of the applicable month and LeaseQuery confirms that the Solution is unavailable due to an unplanned outage during the month; and (iii) "Planned Maintenance" means the total minutes of planned maintenance during the month. Planned Maintenance will occur only between 12:00 a.m. (midnight) and 2:00 a.m. (Eastern Time), Monday through Friday, or, on Friday and Saturday, between 11:00 p.m. and 5:00 a.m. the following morning (Eastern Time). All times are subject to change upon reasonable notice. If actual maintenance occurs outside of the times reserved for Planned Maintenance, such time is considered an Unplanned Outage. If actual maintenance is less than the time reserved for Planned Maintenance, the difference will not be applied as a credit to offset any Unplanned Outage time for the month. The measurement point for service availability is the availability of the Solution at the hosting data center's internet connection points. Service availability is calculated per month as follows:

$$\left(\frac{\text{Total} - \text{Unplanned Outage} - \text{Planned Maintenance}}{\text{Total} - \text{Planned Maintenance}} \right) \times 100 \geq 99.9\%$$

2. **Noncompliance with Service Availability Commitment.** The consequences of a failure by LeaseQuery to meet the service availability commitment set forth above are set forth below:

- (a) First month of missed availability: If requested by Client, the parties shall meet telephonically, at Client's request, to discuss potential corrective actions.
- (b) Second consecutive month: 10% of the subscription fee for the applicable month.
- (c) Third consecutive month: 20% of the subscription fee for the applicable month.
- (d) Fourth consecutive month: 30% of the subscription fee for the applicable month.
- (e) Fifth consecutive month: 40% of the subscription fee for the applicable month.
- (f) Sixth consecutive month: 50% of the subscription fee for the applicable month.
- (g) More than six consecutive months: Within 30 days of such failure, either party shall have the option to terminate the Agreement.

Credits shall be deducted from subsequent invoices for subscription fees or other fees or, upon the expiration or termination of the Agreement, paid to Client directly or offset against other amounts due to LeaseQuery hereunder. The remedies set forth in this exhibit shall be Client's sole remedies and LeaseQuery's sole liability for missed service availability commitments.

**ADDENDUM TO SUBSCRIPTION AGREEMENT
FOR GOVERNMENTAL ENTITIES**

This addendum (this “Addendum”), effective as of the date last signed below, supplements and amends the terms of the Subscription Agreement entered into by and between LeaseQuery, LLC (“LeaseQuery”) and Tri-City Mental Health Authority (“Client”) on 05/25/2023(as amended, the “Subscription Agreement”). Capitalized terms used but not defined herein shall have the meanings set forth in the Subscription Agreement. In the event of a conflict between this Addendum and the Subscription Agreement, this Addendum shall control solely to the extent of such conflict. The parties hereto agree to amend the Subscription Agreement as set forth below, effective as of the date this Addendum is last signed below.

1. **Governing Law.** The parties hereby agree that all matters arising out of or relating to this Addendum, the Subscription Agreement or any Sales Order shall be governed, construed and enforced in accordance with the laws of the State of California without reference to the conflicts of law principles that would require the application of any other law.
2. **No Arbitration; Exclusive Jurisdiction.** Solely to the extent required by applicable law, any mandatory arbitration provision in the Subscription Agreement is hereby removed and, in its place, the following shall apply:

The parties hereby irrevocably submit to the exclusive jurisdiction of the federal or state courts located in the COUNTY OF LOS ANGELES, CALIFORNIA for purposes of any suit, action or other proceeding arising from this Addendum, the Subscription Agreement or any Sales Order, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts. Each of the parties hereby consents to and grants any such court jurisdiction over the person of such parties and over the subject matter of any such dispute.

3. **Indemnification by Client.** Any obligation of Client to indemnify LeaseQuery or its affiliates or subcontractors under the Subscription Agreement is hereby deleted.
4. **No Limitation of Liability.** Any limitation on the aggregate liability of LeaseQuery or any of its affiliates or subcontractors is hereby deleted, provided that , the aggregate liability of LeaseQuery and its affiliates and subcontractors for any claim shall not exceed an amount that is proportional to the relative fault that the conduct of LeaseQuery and its affiliates and subcontractors bears to all other conduct giving rise to such claim.

Except as expressly amended or supplemented hereby, the Subscription Agreement shall remain in full force and effect in accordance with its terms. The Subscription Agreement, as modified and supplemented by this Addendum, constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior understandings, proposals, negotiations and communications, oral or written, between the parties or their representatives with respect to the subject matter hereof.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to the Subscription Agreement as of the date last signed below.

LeaseQuery, LLC

By: _____

Name: Joe Gruca

Title: Chief Revenue Officer

Date:

Client: Tri-City Mental Health Authority

By: _____

Name: Rimmi Hundal

Title: Executive Director

Date:



COMPLEX ACCOUNTING SIMPLIFIED

SALES ORDER

Date	5/25/2023
Sales Order #	Q-21865
Expiration Date	6/16/2023

LeaseQuery, LLC

3 Ravinia Drive NE
 Suite P7
 Atlanta, GA 30346
 (800) 880-7270
 LeaseQuery.com

Client

Tri-City Mental Health Services
 2008 N. GAREY AVE
 POMONA, CA 91767
 Attention: Trevor Bogle
 (909) 451-6424
 tbogle@tricitymhs.org

Length of Subscription

Initial Term (commencing on the date last signed below) 12 months

Recurring Services

Annual Amount

Platform/Edition

Platform subscription for LeaseQuery Advanced, up to 50 Records \$5,550

Financial Solutions

Fixed access subscription for GASB 87 \$0

Fixed access subscription for GASB 96 (Records aggregated with platform subscription; annual access fee shown) \$1,020

Additional Products and Services

Subscription for custom journal entry export \$1,500

Standard support \$0

Non-Recurring Services

One-Time Fee

Self-Guided Training \$0

Organizational database structure setup \$0

Bulk migration service, up to the number of Records covered by the initial subscription \$1,500

ATTACHMENT 6-B3

Notes

- **For recurring services, the annual amounts shown above are payable in advance upon execution of this Sales Order for the full length of the subscription shown above. For non-recurring services, the one-time fees shown above are payable upon execution of this Sales Order.**
- An additional platform subscription fee of \$9.25 per Record per month (invoiced in advance for the full remaining term) will apply for any Records in excess of the maximum number of Records for the LeaseQuery Advanced platform subscription.
- An additional fixed fee of \$10 per Record (invoiced monthly in arrears) will apply for any Records in excess of the maximum number of Records for the bulk Record migration service shown above.
- Contract analysis and Record entry services may be provided on an as needed and as requested basis for \$250 per Record, invoiced monthly in arrears.
- Standard support includes access to LeaseQuery's knowledge base and email support.
- Self-guided training includes access to LeaseQuery's knowledge base, including video and written instructions.

Terms and Conditions

As of the date last signed below, Client hereby subscribes to the Solution and services described in this Sales Order. This Sales Order shall be governed by the terms and conditions set forth herein and in the subscription agreement available at https://leasequery.com/subscription_terms_and_conditions.pdf, which is incorporated herein by reference, unless the parties have manually executed a separate subscription agreement governing this Sales Order (in either case, the "Subscription Agreement"). Capitalized terms used but not defined in this Sales Order shall have the meaning set forth in the Subscription Agreement.

Signatures

Tri-City Mental Health Services ("Client"):

By:

Name:

Title:

Date:

LeaseQuery, LLC ("LeaseQuery"):

By:

Name:

Title:

Date:



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Consideration of Resolution No. 718 Approving an Agreement with Eide Bailly, LLP for GASB-96 Implementation Services Effective July 19, 2023 and Authorizing the Executive Director to Execute the Agreement and any Amendments Thereafter

Summary:

Staff is recommending that the Governing Board authorize the Executive Director to execute a consulting agreement with Eide Bailly, after finalizing indemnity negotiations, to assist Tri-City finance staff in the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96. Currently, Eide Bailly serves as Tri-City's independent auditors who provide an annual audit of Tri-City's financial statements. Eide Bailly, LLP's consulting division will be designated to assist Tri-City with the implementation of a complex standard that is requiring the accounting of subscription-based information technology arrangements (SBITAs) which is further explained below.

Background:

The Governmental Accounting Standards Board (GASB) is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP). The GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs (AICPA). The GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, Subscription-based Information Technology Arrangements. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022, and as for Tri-City would be effective fiscal year beginning July 1, 2022 (year ending June 30, 2023).

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 718 Approving and Agreement with Eide Bailly, LLP for GASB-96 Implementation Services Effective July 19, 2023 and Authorizing the Executive Director to Execute the Agreement and any Amendments Thereafter
July 19, 2023
Page 2

The adoption of this new accounting statement will be reflected in the annual audited financial statements projected to be presented to the Governing Board in October or November of 2023.

As noted above, this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

As noted above Eide Bailly is currently the CPA firm that is currently engaged to perform the annual independent audit of Tri-City's Financial Statements. Eide Bailly has been in practice for over 100 years and has over 40 offices across 14 states and employs over 2,500 staff members specializing in various industries including government and health care. Through participation in a webinar and subsequently meeting with the Eide Bailly engagement partner for this project, it was evident that he has extensive knowledge of GASB Statements and specifically Statement No. 96.

The GASB standards are considered authoritative by state and local governments and GASB Statement No. 96 is required to be implemented in fiscal year ending June 30, 2023. The consequences of not adopting and implementing GASB Statement No. 96 could potentially result in an unfavorable financial statement opinion through the course of the independent annual financial statement audit. The assistance of Eide Bailly in identifying SBITAs that are in scope of GASB Statement No. 96 will ensure Tri-City's

Governing Board of Tri-City Mental Health Authority
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GASB-96 Implementation Services Effective July 19, 2023 and Authorizing the Executive
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July 19, 2023
Page 3

success in implementing and adequately accounting for them in this year's financial statements.

Fiscal Impact:

The total projected costs for these consulting services are \$22,500. The funding source will be a combination of MHSA and realignment funds and have been accounted for in the Fiscal Year 2023-24 Annual Operating Budget.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 718 approving an Agreement with Eide Bailly, LLP for GASB-96 implementation services in the amount of \$22,500, beginning July 19, 2023; and authorizing the Executive Director to execute the agreement and any amendments thereafter.

Attachments:

Attachment 7-A: Resolution No. 718 - DRAFT

Attachment 7-B: TCMHA-Eide Bailly Consulting Services Agreement for GASB-96
Services-Effective 07192023-DRAFT

RESOLUTION NO. 718

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING AN AGREEMENT WITH EIDE BAILLY, LLP FOR GASB-96 IMPLEMENTATION SERVICES EFFECTIVE JULY 19, 2023 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA” or “Authority”) desires to enter into a Professional Services Agreement with Eide Bailly, LLP for consulting services in the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs).

B. Eide Bailly, LLP’s consulting division will provide the consulting services under the Agreement, in the approximate amount of \$22,500.

2. Action

The Governing Board approves an Agreement with Eide Bailly, LLP for GASB-96 implementation services beginning July 19, 2023, and authorizes the Executive Director to enter into and execute the Agreement and any amendments thereafter.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on July 19, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____ By:_____



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of Pomona,
Claremont and La
Verne.

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INDEPENDENT CONTRACTOR AGREEMENT

BETWEEN THE

TRI-CITY MENTAL HEALTH AUTHORITY

AND

EIDE BAILLY, LLC

DATED

July 19, 2023

Administrative Office

1717 North Indian Hill
Boulevard, Suite B
Claremont, CA 91711
Phone (909) 623-6131
Fax (909) 623-4073

Clinical Office / Adult

2008 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 865-9281

Clinical Office / Child & Family

1900 Royalty Drive, Suite 180
Pomona, CA 91767
Phone (909) 766-7340
Fax (909) 865-0730

MHSA Administrative Office

2001 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 326-4690

Wellness Center

1403 North Garey Avenue
Pomona, CA 91767
Phone (909) 242-7600
Fax (909) 242-7691

ATTACHMENT 7-B

TABLE OF CONTENTS

	<u>Section Page</u>
1. Parties and Date.	1
2. Independent Contractor.	1
3. Scope of Services.	1
4. Performance of Services.	1
5. Subcontractors.	2
6. Time and Location of Work.	2
7. Terms.	2
8. Termination.	2
9. Compensation.	2
10. Licenses.	3
11. Proprietary Information.	3
12. Audits.	3
13. Conflict of Interest.	3
14. General Terms and Conditions.	4
a. Indemnity.	4
b. Insurance.	4
c. Non-Discrimination and Equal Employment Opportunity.	5
d. Prohibition on Assignment.	5
e. Changes to the Agreement.	5
f. Records.	5
g. Contractor Attestation.	6
h. No Use of Names.	6
i. Governing Law, Jurisdiction, and Venue.	6
15. Representative and Notice.	6
16. No Intent To Create A Third Party Beneficiary Contract.	7
17. Exhibits.	7
18. Effective Date.	7
19. Entire Agreement.	7
20. Severability.	7
21. Waiver.	7
22. Execution.	8

AGREEMENT

1. PARTIES AND DATE

THIS AGREEMENT (hereinafter “Contract” or “Agreement”) is made and entered into as of July 19, 2023 (“Agreement Date”) by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a joint powers agency organized under the laws of the State of California with its administrative office at 1717 N. Indian Hill Boulevard, Suite B, Claremont, California 91711 (hereinafter “TCMHA” or “Authority”) and EIDE BAILLY, LLC, with its principal place of business at 10681 Foothill Boulevard, Suite 300, Rancho Cucamonga, CA 91730 (hereinafter “Eide Bailly” or “Contractor”). TCMHA and Eide Bailly are sometimes individually referred to as a “Party” and collectively as “Parties.”

2. INDEPENDENT CONTRACTOR

The express intention of the Parties is that Eide Bailly is an independent contractor and not an employee, agent, joint venture or partner of TCMHA. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employee and employer between Eide Bailly and TCMHA or any employee or agent of Contractor. At all times Eide Bailly shall be an independent contractor and Eide Bailly shall have no power to incur any debt, obligation, or liability on behalf of TCMHA without the express written consent of TCMHA. Neither TCMHA nor any of his agents shall have control over the conduct of Contractor or any of Contractor’s employees, except as set forth in this Agreement. In executing this Agreement, Contractor certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of TCMHA.

3. SCOPE OF SERVICES

Contractor shall provide consulting services for GASB-96 (Governmental Accounting Standards Board, Statement 96) implementation as set forth in Contractor’s Proposal for GASB-96 Services attached hereto and incorporated herein as ‘Exhibit A’. Contractor affirms that it has the appropriate experience, expertise, and resources to undertake the Services and has agreed to undertake the Services pursuant to this Agreement, and to the best of its ability.

4. PERFORMANCE OF SERVICES

Contractor reserves the sole right to control or direct the manner in which services are to be performed. Contractor shall retain the right to perform services for other entities during the term of this Agreement, so long as they are not competitive with the services to be performed under this Agreement. Contractor shall neither solicit remuneration nor accept any fees or commissions from any third party in connection with the Services provided to TCMHA under this Agreement without the expressed written permission of TCMHA. Contractor warrants that it is not a party to any other existing agreement which would prevent Contractor from entering into this Agreement or which would adversely affect Contractor’s ability to fully and faithfully, without any conflict of interest, perform the Services under this Agreement.

5. SUBCONTRACTORS

Any work or services subcontracted or performed by third party service providers and/or affiliated entities, including Eide Bailly Shared Services Private Limited (collectively "Service Providers") shall be subject to each provision of this Agreement.

6. TIME AND LOCATION OF WORK

Contractor shall perform the services required by this Agreement at any place or location and at any time as Contractor deems necessary and appropriate, so long as the services are provided within the manner and time frame pursuant to this Agreement.

7. TERM

The Term of this Agreement shall be from July 19, 2023 to December 31, 2023, unless earlier terminated in accordance with the provisions of Section 8 below; or renewed subject to an amendment to this Agreement.

8. TERMINATION. This Agreement may be terminated only as follows:

a. Written Election. TCMHA may terminate this Agreement at any time, without cause, upon thirty (30) calendar days' prior written notice to the other Party. Contractor agrees to cooperate fully in any such transition, including the transfer of records and/or work performed.

b. Non-payment. Contractor, in its sole discretion, may terminate this Agreement effective upon written notice to TCMHA if TCMHA fails to pay the Compensation as defined in Section 9 (other than amounts which are subject to a good faith dispute between the Parties) to Contractor within thirty (30) calendar days of the applicable payment's due date.

c. Effect of Termination. No termination of this Agreement shall affect or impair Contractor's right to receive compensation earned for work satisfactorily completed through the effective date of termination. In the event of termination, Contractor shall immediately deliver all written work product, if any, to TCMHA, and a final invoice which shall be consistent with all work performed up to the date of termination.

9. COMPENSATION. For the full performance of this Agreement:

a. TCMHA shall pay Contractor professional hourly rates as stated in Contractor's Proposal, attached hereto and incorporated herein as 'Exhibit A'. Contractor shall submit a monthly invoice describing the amount of services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the invoice. TCMHA shall pay Contractor within thirty (30) days following receipt of invoice and completion/delivery of services/goods as detailed in Sections 3 of this Agreement and only upon satisfactory delivery/completion of goods/services in a manner consistent with professional/industry standards for the area in which Contractor operates.

b. TCMHA is not responsible for paying for any work done by Contractor or any subcontractor or any third party provider which was not authorized by TCMHA.

c. Contractor is responsible for monitoring its own forces/employees/agents/subcontractors to ensure delivery of goods/services within the terms of this Agreement. TCMHA will not accept or compensate Contractor for incomplete goods/services.

d. Contractor acknowledges and agrees that, as an independent contractor, the Contractor will be responsible for paying all required state and federal income taxes, social security contributions, and other mandatory taxes and contributions. TCMHA shall neither withhold any amounts from the Compensation for such taxes, nor pay such taxes on Contractor's behalf, nor reimburse for any of Contractor's costs or expenses to deliver any services/goods including, without limitation, all fees, fines, licenses, bonds, or taxes required of or imposed upon Contractor. TCMHA shall not be responsible for any interest or late charges on any payments from TCMHA to Contractor.

10. LICENSES

Contractor declares that Contractor has complied with all federal, state, and local business permits and licensing requirements necessary to conduct business.

11. PROPRIETARY INFORMATION

The Contractor agrees that all information, whether or not in writing, of a private, secret or confidential nature concerning TCMHA's business, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of TCMHA. The Contractor will not disclose any Proprietary Information to any person or entity, other than persons who have a need to know about such information in order for Contractor to render services to TCMHA and employees of TCMHA, without written approval by Executive Director of TCMHA, either during or after its engagement with TCMHA, unless and until such Proprietary Information has become public knowledge without fault by the Contractor.

12. AUDITS

Contractor shall maintain accounts and records, including all working papers, personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by TCMHA to assure proper accounting for all project funds, both Federal and non-Federal shares. These records must be made available for audit purposes to TCMHA or any authorized representative, and must be retained, at the Contractor's expense, for a minimum of eight (8) years after the Agreement expires, unless the firm is notified in writing by TCMHA of the need to extend the retention period.

13. CONFLICT OF INTEREST

Contractor hereby certify that to the best of their knowledge or belief, no elected/appointed official or employee of TCMHA is financially interested, directly or indirectly, in the provision of goods/services specified in this Agreement. Furthermore, Contractor represents and warrants to TCMHA that it has not employed or retained any person or company employed by TCMHA to solicit or secure the award of this Agreement and that it has not offered to pay, paid, or agreed to pay any person any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of the Agreement.

14. GENERAL TERMS AND CONDITIONS.

a. Indemnity. Contractor shall, at its sole cost and expense, indemnify, defend and hold harmless TCMHA, its elective and appointive officers, officials, agents, employees, volunteers, and contractors who serve as TCMHA officers, officials or staff (collectively "TCMHA Indemnitees" in this Subsection (a) of Section 14), from any and all demands, claims, costs or liability of personal injury, bodily injury (including death) and property damage of any nature (collectively "Claims"), in law or in equity, whether actual, alleged or threatened, caused by or arising out of, in whole or in part, the acts or omissions of Contractor, its officers, trustees, directors, agents, employees, contractors, subcontractors, or their officers, trustees, directors, agents or employees (or any entity or individual that Contractor shall bear the legal liability thereof), (collectively "Contractor Indemnitors" in this Subsection (a) of Section 15), including the Contractor Indemnitors' active or passive negligence, recklessness or willful misconduct in the performance of this Agreement, except as for Claims arising from the sole negligence or willful misconduct of TCMHA Indemnitees. With regard to Contractor's work product, Contractor agrees to indemnify, defend and hold harmless TCMHA, or any TCMHA Indemnitees, from any and all demands, claims or liability of any nature to the extent caused by the negligent performance of Contractor under this Agreement.

b. Insurance. Contractor shall obtain and file with TCMHA, at Contractor's expense, certificates of insurance providing the following insurance before commencing any services under this Agreement as follows:

- i. Workers Compensation Insurance:** Minimum statutory limits.
- ii. Errors And Omissions Insurance:** \$2,000,000 per occurrence and \$4,000,000 annual aggregate.
- iii. Commercial General Liability Insurance:** General Liability and Property Damage Combined. \$2,000,000.00 per occurrence including comprehensive form, personal injury, broad form personal damage, contractual and premises/operation, all on an occurrence basis. If an aggregate limit exists, it shall apply separately or be no less than two (2) times the occurrence limit.
- iv. Notice Of Cancellation:** TCMHA requires, and Contractor shall provide TCMHA with, 30 days' written notice of cancellation. Additionally, the notice statement on the certificate should not include the wording "endeavor to" or "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."
- v. Waiver of Subrogation:** Each insurance policy required by this Agreement shall expressly waive the insurer's right of subrogation against TCMHA and its elected and appointive officials, officers, employees, agents, volunteers and contractors serving as TCMHA officers, officials or staff. Contractor hereby waives all rights of subrogation against TCMHA.
- vi. Certificate Of Insurance:** Prior to commencement of services, evidence of insurance coverage must be shown by a properly executed certificate of insurance by an insurer licensed to do business in California, satisfactory to TCMHA, and it shall name "*Tri-City Mental Health Authority, its elective and appointed officers, employees, volunteers, and contractors who serve as TCMHA officers, officials, or staff*" as additional insureds.

vii. To prevent delay and ensure compliance with this Agreement, the insurance certificates and endorsements must be submitted to:

Tri-City Mental Health Authority
Attn: JPA Administrator/Clerk
1717 N. Indian Hill Boulevard, #B
Claremont, CA 91711-2788

c. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental disability, medical condition, sexual orientation or gender identity. Contractor will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, sexual orientation or gender identity.

d. Prohibition on Assignment. This Agreement shall not be assigned or transferred without advance written consent of TCMHA.

e. Changes to the Agreement. No changes or variations of any kind are authorized without the written consent of the Executive Director. This Agreement may only be amended by a written instrument signed by both Parties. The Contractor agrees that any written change or changes in compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement and shall be deemed to be a supplement to this Agreement and shall specify any changes in the Scope of Services.

f. Records. All reports, data, maps, models, charts, studies, surveys, calculations, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that are prepared or obtained pursuant to this Agreement and that relate to the matters covered hereunder shall be and remain the property of TCMHA. Contractor will be responsible for and maintain such records during the term of this Agreement. Contractor hereby agrees to deliver those documents to TCMHA at any time upon demand of TCMHA. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for TCMHA and are not necessarily suitable for any future or other use. Failure by Contractor to deliver these documents to TCMHA within a reasonable time period or as specified by TCMHA shall be a material breach of this Agreement. TCMHA and Contractor agree that until final approval by TCMHA, all data, reports and other documents are preliminary drafts not kept by TCMHA in the ordinary course of business and will not be disclosed to third parties without prior written consent of both Parties. All work products submitted to TCMHA pursuant to this Agreement shall be deemed a "work for hire." Upon submission of any work for hire pursuant to this Agreement, and acceptance by TCMHA as complete, non-exclusive title to copyright of said work for hire shall transfer to TCMHA. The compensation recited in Section 9 shall be deemed sufficient consideration for said transfer of copyright. Contractor retains the right to use any project records, documents and materials for marketing of their professional services.

g. Contractor Attestation. Also in accordance with TCMHA's policies and procedures, TCMHA will not enter into contracts with individuals, or entities, or owners, officers, partners, directors, or other principals of entities, who have been convicted recently of a criminal offense related to health care or who are debarred, excluded or otherwise precluded from providing goods or services under Federal health care programs, or who are debarred, suspended, ineligible, or voluntarily suspended from securing Federally funded contracts. TCMHA requires that Contractor certifies that no staff member, officer, director, partner, or principal, sub-contractor, or third party provider is excluded from any Federal health care program, or federally funded contract and will sign attached *Contractor's Attestation That Neither It Nor Any Of Its Staff Members Are Restricted, Excluded Or Suspended From Providing Goods Or Services Under Any Federal Or State Health Care Program*, attached and incorporated hereto as 'Exhibit B'.

h. Non-Use of Names. Except as required by applicable law, neither Party shall use the name of the other Party, of the other Party's officials, employees, volunteers, or independent contractors acting as that Party's official, in any publicity without the prior written permission of the Party whose name is to be used.

i. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Except that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in interpreting this Agreement. The Parties agree that venue of any action that arises under or relates to this Agreement (whether contract, tort, or both) shall be resolved exclusively in a superior court or federal court in the County of Los Angeles, California.

15. REPRESENTATIVE AND NOTICE

a. TCMHA's Representative. TCMHA hereby designates its Executive Director to act as its representative for the performance of this Agreement ("TCMHA's Representative"). TCMHA's Representative shall have the power to act on behalf of TCMHA for all purposes under this Agreement.

b. Contractor's Representative. Contractor warrants that the individual who has signed the Agreement has the legal power, right, and authority to make this Agreement and to act on behalf of Contractor for all purposes under this Agreement.

c. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

If to TCMHA:

Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, #B
Claremont, CA 91711-2788
Attn: Executive Director

If to Contractor:

Eide Bailly, LLC
10681 Foothill Blvd., Suite 300
Rancho Cucamonga, CA 91730
Attn: Eric S. Berman, Partner

Any notices required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during receiving Party's regular business hours or by facsimile before or during receiving Party's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to the provision of this Section. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

16. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the Parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement; and no third Party shall have the right to enforce any right or enjoy any benefit created or established under this Agreement.

17. EXHIBITS. The following attached exhibits are hereby incorporated into and made a part of this Agreement:

- a.** Exhibit A: Scope of Services
- b.** Exhibit B: Contractor's Attestation That Neither It Nor Any Of Its Staff Members Are Restricted, Excluded Or Suspended From Providing Goods Or Services Under Any Federal Or State Health Care Program

18. EFFECTIVE DATE

This Agreement shall become effective upon (a) its approval and execution by Contractor; and (b) its approval and execution by TCMHA.

19. ENTIRE AGREEMENT

This Agreement and any other documents incorporated herein by specific reference, represents the entire and integrated agreement between the Parties. Any ambiguities or disputed terms between this Agreement and any attached Exhibits shall be interpreted according to the language in this Agreement and not the Exhibits. This Agreement supersedes all prior agreements, written or oral, between the Contractor and TCMHA relating to the subject matter of this Agreement.

20. SEVERABILITY

The validity or unenforceability of any provision of this Agreement declared by a valid judgment or decree of a court of competent jurisdiction, shall not affect the validity or enforceability of any other provision of this Agreement.

21. WAIVER

No delay or omission by TCMHA in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by TCMHA on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion or a waiver of any other condition of performance under this Agreement.

22. EXECUTION

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Agreement Date.

TRI-CITY MENTAL HEALTH AUTHORITY

EIDE BAILLY, LLC

By: _____
Rimmi Hundal, Executive Director

By: _____
Eric S. Berman, Partner

Attest:

By: _____
Micaela P. Olmos, JPA Administrator/Clerk

Approved as to Form:
RICHARDS WATSON & GERSHON LAW

By: _____
Steven L. Flower, General Counsel

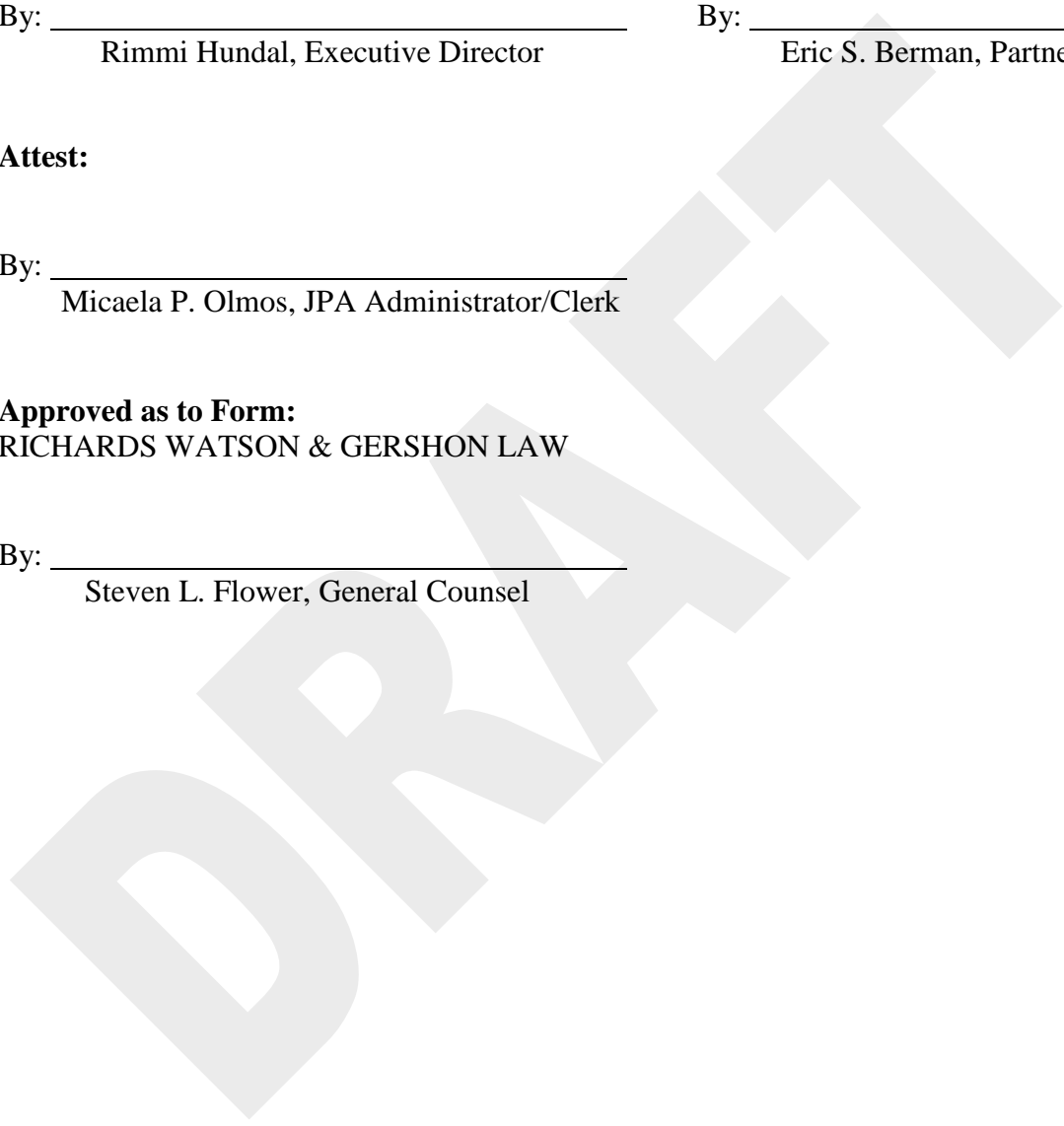


EXHIBIT A

CPAs & BUSINESS ADVISORS

June 5, 2023

Ms. Diana Acosta
Chief Financial Officer
Tri-City Mental Health
1717 North Indian Hill Boulevard Suite B
Claremont, California 91711

RE: GASB-96 Services for Tri-City Mental Health System

Dear Ms. Acosta,

Thank you for giving Eide Bailly LLP the opportunity to propose on GASB-96 services. We believe Eide Bailly is the right firm for Tri-City Mental Health System (Tri-City) for the following reasons:

Experience with Tri-City Mental Health

We have been proactively meeting the needs of Tri-City as your auditors and among your most trusted advisors for years. With the vast array of services we offer our clients, we are hopeful that you have realized that our team has the experience and knowledge to address any of your concerns on a timely basis.

GASB-96 Approach

Our staff is passionate about their work and your success. We will customize our approach to meet your needs. Prior to beginning the engagement, we will meet with your management team to discuss:

- The scope of contracts we may review.
- The GASB-96 approach and process.
- Additional considerations that may affect scope, schedules and workpapers to be prepared by your personnel.

During the course of our GASB-96 services, we will hold periodic meetings with your management. This continuous interchange of information will keep you fully informed and provide us with timely information so we can best serve your organization. We will work with your staff to deliver a quality product and limit any disruptions in your day-to-day activities.

Lease Query and Eide Bailly, LLP

We understand you are working with Lease Query (LQ) for your software subscription, database structure setup, training, and migration, including integration with Sage. **Eide Bailly will supplement services provided by Lease Query.** Due to our strong relationship and existing license with LQ, we will:

- Work with LQ on training specifically on the Standard, which may entail focusing specifically on the accounting and reporting staff *or* for nonaccountants (typically IT and procurement staff),
- Provide a help desk to ascertain which contracts are in the scope of GASB-96 and which are not, documenting decisions for your approval,
- Provide a review of policies and procedures relating to such contracts and suggest areas for improvements, and
- Provide a review of note disclosure relating to GASB-96, contained within a report to you, delivered as soon as possible after agreement on a complete inventory as delivered to LQ.

What inspires you, inspires us. | eidebailly.com

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE



Your Service Team

We understand personal service is important to our clients. You'll work with a team that has extensive knowledge and experience in your industry. **Eric Berman** will lead the GASB-96 engagement.

Eric is a nationally recognized speaker, author, thought leader and auditor with a wealth of government client experience. He brings a unique perspective to the firm's clients as a former Deputy Comptroller of the Commonwealth of Massachusetts, a chief financial officer of a state agency and an audit partner with clients ranging from a well-known stadium to statewide pension systems.

In addition, Janeen Hathcock, CPA, and other senior managers will be added as needed. Janeen has over nine years of public accounting experience and more than 16 years in the accounting profession. Janeen completed her fellowship with the GASB on December 31, 2021, where she spent two years working on various financial reporting projects and learning the standard setting process.

Timeliness

We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to customize our GASB-96 services to your needs. We believe in clear, up-front and open communication with no surprises.

Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would begin. In other words, there will be no hidden fees.

We propose the following fee schedule based on our understanding of the scope of work and the level of involvement of Tri-City's staff:

Engagement Services and Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. We propose a 'time and materials' arrangement as we do not know the full extent of the contracts within scope that we may review. Our current rates per hour for this highly technical engagement as of the date of this submission are:

- Partners \$375 per hour,
- Senior Managers \$317 per hour.

We do not anticipate any lower level of staff on the engagement. Assuming **40 contracts** to review, **we anticipate an initial budget of \$22,500.** Should we near that budgeted amount and need additional budget due to additional contracts or other unforeseen circumstances, we will let you know as soon as possible.

Out-of-Pocket Expenses

The professional fees listed above exclude all out-of-pocket expenses. However, we do not anticipate that you be billed for expenses such as travel time, mileage, and meals. Should this change, we will notify you in advance of such expenses for approval.



We Want to Continue Working with You

We believe the qualifications of our firm merit serious consideration. You are a highly valued client, and we would be proud to add these additional services for the Tri-City Mental Health System, and continue building a trusting relationship with your team. Please contact us if you would like to discuss any aspect of this proposal. **An engagement letter is included as an Appendix. Please sign and return the Letter if it meets your needs.**

Sincerely,

Eric Berman, CPA, CGMA
 Partner
 208.424.3524 | eberman@eidebailly.com

Kinnaly Soukhaseum, CPA
 Partner
 909.755.2823 | ksoukhaseum@eidebailly.com



June 5, 2023

Ms. Diana Acosta
Chief Financial Officer
Tri-City Mental Health
1717 North Indian Hill Boulevard Suite B
Claremont, California 91711

RE: GASB-96 Services for Tri-City Mental Health System

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Tri-City Mental Health (you).

Scope of Engagement

We will work with you to provide consulting services in connection with assisting you implement GASB-96 as outlined in our proposal attached and incorporated by reference.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation, or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA Statements on Standards for Attestation Engagements and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct, and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

We agree to retain our work papers for a period of at least eight years from the date of our report.

Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed within an agreeable time of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.



Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. We estimate that our fee for the engagement will cap at \$22,500 unless the scope of services changes. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such engagement documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. ~~A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.~~

Tri-City Mental Health accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

Eide Bailly, LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. The nature of the services to be provided in conjunction with this engagement are such that non-licensure owners may be involved in performing our services for Tri-City Mental Health.

EXHIBIT B

CONTRACTOR’S ATTESTATION THAT NEITHER IT NOR ANY OF ITS STAFF MEMBERS ARE RESTRICTED, EXCLUDED OR SUSPENDED FROM PROVIDING GOODS OR SERVICES UNDER ANY FEDERAL OR STATE HEALTH CARE PROGRAM

EIDE BAILLY, LLC

Contractor’s Name	Last	First
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Contractor hereby warrants that neither it nor any of its staff members is restricted, excluded, or suspended from providing goods or services under any health care program funded by the Federal or State Government, directly or indirectly, in whole or in part, and the Contractor will notify the Tri-City Mental Health Authority (TCMHA) within thirty (30) days in writing of: 1) any event that would require Contractor or a staff member’s mandatory exclusion or suspension from participation in a Federal or State funded health care program; and 2) any exclusionary action taken by any agency of the Federal or State Government against Contractor or one or more staff members barring it or the staff members from participation in a Federal or State funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold TCMHA harmless against any and all loss or damage Contractor may suffer arising from the Federal or State exclusion or suspension of Contractor or its staff members from such participation in a Federal or State funded health care program.

Failure by Contractor to meet the requirements of this paragraph shall constitute a material breach of contract upon which TCMHA may immediately terminate or suspend this Agreement.

Is Contractor/Proposer/Vendor or any of its staff members currently barred from participation in any Federal or State funded health care program?

_____ **NO**, Contractor or any of its staff members is not currently barred from participation in any Federal or State funded health care program.

_____ **YES**, Contractor or any of its staff members is currently barred from participation in any Federal or State funded health care program. Describe the particulars on a separate page.

Eric S. Berman, Partner

Date	Contractor or Vendor’s Name	Contractor or Vendor’s Signature
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Rimmi Hundal, Executive Director

Date	TCMHA Executive Official’s Name	TCMHA Executive Official’s Signature
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DISTRIBUTION:

COPIES: HR Representative
 Contractor
 Finance



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer
Trevor Bogle, Controller

SUBJECT: Approval of Resolution No. 719 Adopting the Proposed Operating Budget and Cash Flow Budget for Fiscal Year 2023-24

The proposed operating and cash flow budget presented herein provides projected revenues and expenses for fiscal year 2023-24. This document presents all of the proposed activity in a consolidated basis (TCMH Clinic activity and MHSA activity), and individually for the TCMH Clinic and Mental Health Services Act (MHSA) activities. A detailed budget is also presented for each of the respective programs within TCMH Clinic (i.e. Child/Family and Adult Outpatient Services), and each of the programs related to the five MHSA plans (CSS, PEI, INN, WET and CFTN).

The preparation of the budget involved communication with the executive team, and department managers as deemed necessary in order to gather information regarding their respective departments and programs specifically relating to their department personnel needs and operating cost needs. In addition, Tri-City gathered information from various sources, including the California Behavioral Health Directors Association (CBHDA), Los Angeles County and from the state Department of Health Care Services (DHCS), which assisted in the development of projected revenues and expenditures.

As explained throughout the budget document and as previously communicated over the past couple of years, payment reform as a result of Cal-AIM has become effective as of July 1, 2023. Payment reform has changed what services are eligible for payment and the rate at which the services are paid. Specifically, Cal-AIM's payment reform includes the transition from a cost reimbursement payment model to a fixed fee-for-service payment model using rates established by the State. Additionally, certain services previously eligible for cost reimbursement are no longer eligible and only direct client care services will be eligible for payment.

These changes are significant and are expected to significantly impact revenues to Tri-City, especially throughout the first year of transition. As noted in this budget, initial projected deficits (excess of expenses over revenues) totaling \$3.1 million in the Clinical Operations and \$2.1 million in the MHSA FSP Programs are the direct result of the implementation of Cal-AIM. However, these deficits have the potential to decrease (improve) should the actual direct client care hours differ from initial projections.

Modifications to clinical operations continue to be implemented to further improve access to and provision of direct client care. The revenues projected in this budget are straight-forward and calculated using actual known *direct* units of service provided over the past year as a basis, then multiplied by the rates established by the State (Department of Health Care Services or DHCS) and provided to Tri-City from Los Angeles County Department of Mental Health.

Revenues

As noted in the Consolidated and Consolidating operating budgets, the most significant revenues consist of Medi-Cal FFP, Realignment and MHSA revenues. Medi-Cal FFP revenues were projected using information that is based on past experience and projected through the analysis of units of service anticipated to be billed and consisting of projected direct service hours only, multiplied by the new Cal-AIM rates referred to above. Realignment revenue is typically consistent from year to year with only slight increases experienced, however this is based on sales tax generated by the State and is subject to change from year to year. As such Tri-City has projected that the Realignment funding in fiscal 2023-24 to be consistent with prior year's actuals which includes the guaranteed minimum distribution from the State's Mental Health Sub-account as well as an additional amount of growth consistent with prior years' receipts. MHSA funding recognized as revenue and reflected in the operating budget as revenues varies from year to year. The amount of MHSA revenue of \$15.5 million that is recognized in the FY 2023-24 budget is based on approved MHSA plans and the respective program costs projected to be funded in the upcoming fiscal year and differ from the \$23.7 million. Actual MHSA cash receipts expected to be collected during the fiscal are reflected within the Cash Flow Statement and are further discussed below under the caption Cash Flows.

Other revenues are projected not only based on prior results or contracted revenues (such as grants), but on assumptions made from information currently available.

Expenses

Expenses are primarily projected through analysis of current expense data, and known events or transactions either in the prior year or in the upcoming year. Expenses specifically relating to MHSA programs are projected with the use of the MHSA Plan Updates as approved through the stakeholder process, in order to ensure proper planning of costs and to meet program goals and objectives. Careful consideration is made in planning and projecting costs to ensure all program goals are met and the staffing requirements are properly planned for. The following two tables present a comparison of expenses by category of the current year budgeted amounts to the prior year budgeted amounts in addition to the Prior Year Projected Actuals.

Governing Board of Tri-City Mental Health Authority
Approval of Resolution No. 719 Adopting the Proposed Operating Budget and Cash Flow
Budget for Fiscal Year 2023-24
July 19, 2023
Page 3

Table 1: Current Year Budget Comparison to Prior Year Budget

Total Agency Budgeted Expenses	Current Year Budget FY 2023-24	Prior Year Budget FY 2022-23	Budget to Budget Comparison
Salary Costs	\$ 30,058,944	\$ 27,683,424	\$ 2,375,520
Facility Costs	710,066	1,028,408	(318,342)
Equipment Costs	411,192	382,252	28,940
Other Services & Supplies	2,427,526	2,547,877	(120,351)
Specific Costs	2,931,739	2,710,125	221,614
Depreciation & Amortization	918,171	598,328	319,843
Total Costs	\$ 37,457,638	\$ 34,950,414	\$ 2,507,224

Table 2: Current Year Budget Comparison to Prior Year Projected Actuals

Total Agency Budgeted Expenses	Current Year Budget FY 2023-24	Projected Actuals FY 2022-23	Budget to Actuals Comparison
Salary Costs	\$ 30,058,944	\$ 22,676,239	\$ 7,382,705
Facility Costs	710,066	689,385	20,681
Equipment Costs	411,192	406,353	4,839
Other Services & Supplies	2,427,526	2,591,755	(164,229)
Specific Costs	2,931,739	1,178,978	1,752,761
Depreciation & Amortization	918,171	593,478	324,693
Total Costs	\$ 37,457,638	\$ 28,136,188	\$ 9,321,450

The significant changes from the prior year budget to the current year budget as noted above are highlighted as follows:

- **Salary Costs:** Total salary and benefits related costs in the FY 2023-24 Budget are projected to be approximately \$7.4 million higher than the projected actuals for FY 2022-23 which is primarily due to unfilled vacancies during fiscal year 2022-23 and additional positions to be included in the proposed FY 2023-24 Budget. When compared to the FY 2022-23 Budget, the increase is approximately \$2.4 million and is primarily due to additional positions (approximately 4 FTE's), and normal annual increases to wages and benefits which include projected merit increases as well as the anticipated final implementation of the compensation and classification study.
- **Facility Costs:** Overall facilities costs are projected to be approximately \$21 thousand higher in the FY 2023-24 Budget than projected actuals. The primary reason for the increase is anticipation of increased costs for maintenance, repairs and upkeep for all of Tri-City buildings. However, when comparing the prior year budget to the current year budget, there is a net decrease noted in the approximate amount of \$328 thousand. This overall projected decrease is primarily due to how rent expense is captured in the financial statements as a result of implementing GASB Statement No 87 in the prior year. A reduction of cost was not the result

however GASB Statement No. 87 changed how certain leases are recognized and presented.

- Other Services and Supplies: The overall decrease from projected actuals in FY 2022-23 and the FY 2023-24 Budget is approximately \$164 thousand which is primarily the result of projected decreases in clients costs, insurance premiums and anticipated savings in telephone costs and then offset by increases to conference & seminar related expenses. However, when comparing the prior year budget to the FY 2023-24 budget, the primary reasons for the overall decrease in this category are due to anticipated decreases client related costs, data processing costs and IT related costs due to the previous transition to a new electronic healthcare record system. However these decreases were also offset by increases to additional security services, insurance costs, and various increases to dues and subscriptions to various professional memberships.
- Specific Costs: The budget reflects an overall increase of \$1.8 million in this category when comparing the projected actuals for FY 2022-23 to the FY 2023-24 budget. This increase is primarily related to \$1.2 million in “Unique MHSA Program Related Costs” in the WET, INN and CFTN Plans that were approved in the annual MHSA planning process which have not yet been expended however being re-budgeted in the FY 2023-24 budget. Those expenditures include capital projects that are projected to be completed in FY 2023-24 such as the office remodel project at the 2001 Garey location and the completion of the Garden Project. Additionally, expenditures for the new INN PADS program have been included in this budget accounting for approximately \$200 thousand of the increase.

Cash Flows

As presented in the Consolidated and the Consolidating Cash Flow Budget, an overall increase to cash in the approximate amount of \$8.2 million is projected for the fiscal year ending 2023-24. Approximately \$673 thousand is related to the TCMH Clinic and approximately \$7.6 million of the increase is related to MHSA. The projected increase in cash for TCMH of approximately \$673 thousand is primarily the result of projected collections of prior year receivables and of course clinical operations along with some anticipated growth in 1991 Realignment. The projected increase in cash for MHSA is primarily the result of a projected influx of MHSA funding during fiscal year. As mentioned on a couple of occasions, and announced by CBHDA, a one-time favorable adjustment to MHSA funding is expected in FY 2023-24. Additionally, MHSA funding that was to be received in FY 2022-23 was postponed and delayed as a result delayed tax return filings in FY 2022-2023 due to severe weather in certain counties in California. As noted within the budget document, the MHSA cash flow budget also includes, expected costs associated with CFTN one-time projects in the approximate amount of \$1 million. Also attributing to the cash flow projections for both TCMH and MHSA in fiscal 2023-24 include increased costs for operations, mostly associated with the expected increase in costs for salaries and wages.

Governing Board of Tri-City Mental Health Authority
Approval of Resolution No. 719 Adopting the Proposed Operating Budget and Cash Flow Budget for Fiscal Year 2023-24
July 19, 2023
Page 5

Recommendation

Staff hereby recommends that the Governing Board approve Resolution No. 719 adopting TCMHA's FY 2023-24 Operating Budget and Cash Flow Budget.

Attachments:

Attachment 8-A: Resolution No. 719 - DRAFT

Attachment 8-B: Proposed Operating Budget and Cash Flow Budget for Fiscal Year 2023-24

RESOLUTION NO. 719

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING ITS OPERATING BUDGET AND CASH FLOW BUDGET FOR FISCAL YEAR 2023-24

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) desires to adopt the Authority’s Operating and Cash Flow Budget for Fiscal Year 2023-24.

2. Action

A. The Governing Board approves the Authority’s Operating Budget and Cash Flow Budget Fiscal Year 2023-24 as presented.

B. The Governing Board authorizes the Executive Director and/or Chief Financial Officer to prepare and submit any and all reports related thereto.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on July 19, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____

TRI-CITY MENTAL HEALTH AUTHORITY
PROPOSED
OPERATING BUDGET AND CASH FLOW BUDGET
FISCAL YEAR 2023-24

**TRI-CITY MENTAL HEALTH AUTHORITY
BUDGET FOR THE FISCAL YEAR 2023-24
ASSUMPTIONS**

The following Operating and Cash Flow Budget reflects Tri-City Mental Health Authority's (Tri-City's) estimated revenues and expenditures for the fiscal year ending June 30, 2024. The budget is divided into two main sections 1) the Tri-City Mental Health Outpatient Clinic Budget and 2) the Mental Health Services Act (MHSA) Budget.

ABOUT TRI-CITY

Tri-City Mental Health Authority ("Tri-City") was formed on June 21, 1960 and established through a Joint Powers Authority Agreement between the Cities of Pomona, Claremont and La Verne pursuant to the provisions of the Joint Exercise of Powers Act, Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Section 6500, et seq. relating to the joint exercise of powers common to public agencies, and the provisions of the Bronzan-McCorquodale Act/Short-Doyle Act, Part 2, Section 5600, et seq., of the Welfare and Institutions Code (WIC) of the State of California, to deliver mental health services to the residents of the three Cities. This action was taken out of a desire on the part of officials from the three Cities to provide the highest quality services for local residents. For approximately sixty three years, Tri-City has cared for and served local children, youth, adults and older adults.

Pursuant to the Joint Powers Authority Agreement, Tri-City is a quasipublic agency governed by a Governing Board ("Board) composed of seven members. The Governing Board has the powers common to public agencies as enumerated in the Joint Exercise of Powers Act, and the authority deemed necessary and required for the operation and maintenance of Tri-City to serve those individuals residing in the three Cities.

As the Mental Health Authority, Tri-City is limited to and responsible only for providing outpatient speciality mental health services to residents of the cities of LaVerne, Pomona, and Claremont. Tri-City is not a Mental Health Plan (MHP) and therefore not bound by the MHP provisions of Title 9 CCR. Tri-City is one of two cities that are not considered to be MHPs that receive Realignment Revenues from the State of California and also directly receive Mental Health Services Act (MHSA) funds which are used in its MHSA program, which is separate and apart from the MHSA program of Los Angeles County. Because Tri-City has not been reflected in waivers between the State of California and the federal government, namely Centers for Medicare & Medicaid Services (CMS), and to be consistent with 42 CFR 438.60, the State has required Tri-City to contract with Los Angeles County through a Legal Entity Agreement so that the State may pay State General Funds and Federal Financial Participation funds relating to Tri-City's Non-EPSDT (i.e. Adult and Expanded Medi-Cal) and EPSDT services to a MHP, in this case Los Angeles County, who then passes through those funds to Tri-City. This agreement provides Tri-City the mechanism to drawdown federal and state Medi-Cal funding as well as EPSDT funding.

Since Tri-City's formation as the Mental Health Authority, Tri-City is responsible for and has provided outpatient speciality mental health care services for the residents of Pomona, Claremont and LaVerne. These services are provided to all age groups including children (0-15), transition age youth (16-25), adults (26-59) and older adults (60+), and in most cases the consumers are eligible under the Medi-Cal programs or are indigent. As further described

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

below and throughout this budget document, with the passage of Proposition 63, and through the approval of Tri-City's MHSA Plan, Tri-City receives MHSA funds to provide an array of mental health services. Over the past ten plus years, Tri-City has continued to develop and expand its system of care for the residents of the three cities. This includes the continuation of Tri-City's outpatient clinics and the implementation of programs approved through the Mental Health Service Act (MHSA).

ABOUT MHSA

In November 2004, California voters approved Ballot Proposition 63 and the Mental Health Services Act (MHSA) became State law effective January 1, 2005. The MHSA addresses a broad continuum of prevention, early intervention and service needs, as well as new innovative programs to treat mental illness. In addition, MHSA provides funding for necessary infrastructure, technology and training elements that will effectively support this system, with the purpose of promoting recovery for individuals with serious mental illness. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of \$1 million.

As a result of the passage of Proposition 63, in addition to the outpatient clinical operations, Tri-City has operations established through the Mental Health Services Act (MHSA). Tri-City Mental Health Authority's staff and community partners continue to grow the system of care for the residents of the three cities through the maturing of its MHSA programs approved as part of its five Plans that include Community Services and Support (CSS), Prevention and Early Intervention (PEI), Workforce, Education and Training (WET), Innovation (INN) and Capital Facilities and Technology Needs (CFTN).

These plans include the establishment of group services available to the community at both the outpatient clinics and the Wellness Center, with the Wellness Center programs continuing to be a central focus. Tri-City continues to experience the integration of services between its Full Service Partnerships, Navigators and Community building programs and continues to expand its office space to accommodate additional FSP staff in existing buildings and to centrally locate most of the staff related to other MHSA programs, including PEI, INN and WET. This includes rented office space and a building, which was purchased back in 2015-16 in order to house MHSA staff. During 2015-16, Tri-City also purchased a home in Claremont which was utilized to provide housing for Tri-City clients, however this specific property is now scheduled to become part of a recently approved larger project in the near future that will house more clients.

With regard to the history of approved plans, the original MHSA Plans were all approved separately and in different years as follows: Initial CSS programs were approved in June 2009; PEI programs were initially approved in March 2010; the initial Innovations programs were approved in fiscal 2011-12 and completed in fiscal 2014-15, while two new Innovation programs began implementation in the second quarter of fiscal 2014-15; In November 2012, the Workforce, Education and Training (WET) Plan was approved; and in May 2013 the Technology Needs projects under CFTN were approved.

CFTN and WET funds are considered one-time dollars and in order to continue programs or projects within these two plans, transfers must be made from the CSS plan and must be completed through a stakeholder process. As initial funding for these two plans have since been exhausted, over the years several transfers have been approved to continue these two programs with the latest transfer approved in Fiscal Year 2022-23. Additionally, a transfer of \$2.5 million was included in the 2023-24 MHSA Plan.

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

In order to continue to support the ongoing MHSA programs noted above, Tri-City continues to allocate the executive team's time spent on the MHSA functions to the MHSA budget, thereby appropriately sharing the administrative burden with the outpatient clinic's budget. The costs of the MHSA programs are separately funded from the State of California as required by Proposition 63 legislation. The MHSA funds received by Tri-City can only be used for programs established under Tri-City's approved CSS, PEI, INN, WET and CFTN plans or any future approved programs/projects under these MHSA plans.

Further information on these plans can be found in this budget document under the respective plan tabs/sections.

GENERAL

Annually, Tri-City participates in training and continually strives to stay abreast of legislation and various changes that may financially impact the agency or the services we provide. California's Advancing Innovation in Medi-Cal (CalAIM) is the State's long-term commitment to transform and strengthen Medi-Cal. The goal is to provide Californians with more equitable, coordinated and person-centered care. As part of this implementation, the key priorities are to improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform. While the state continues to advance and fully implement the initiatives of CalAIM, Tri-City continues to attend monthly meetings with CBHDA for key updates. Tri-City is also currently continuing to work with LA DMH during this transition.

During Fiscal Year 2021-22 various resolutions were approved by the Governing Board including updates to salary schedules as part of a comprehensive classification and compensation study that began during Fiscal Year 2020-21 however, it has not yet been fully implemented. This budget includes the partial implementation of this study and has included projected salaries in this budget. The following paragraphs include significant updated information that has previously impacted Tri-City or continues to impact either Tri-City's funding or the services we provide.

On January 1, 2014, the Affordable Care Act became effective, including the expansion of Medicaid (Medi-Cal) services to single adults ages 19 to 64. Tri-City continues to be a major partner with its community and LA County Department of Mental Health (LA DMH) to ensure that all Tri-City residents seeking services that become eligible under expanded Medi-Cal (MCE) will be served. The cost of services provided by Tri-City for residents qualifying under MCE and through the Federal Financial Participation (FFP) were to be reimbursed at 100% for the first three years (calendar years 2014 through 2016), and beginning January 2017 the reimbursement rate was reduced to 95%, to 94% in January of 2018, to 93% in January of 2019 and then finally to 90% in January of 2020 and going forward. In order to ensure proper reimbursement, Tri-City's current agreement with LA DMH includes language regarding MCE and Tri-City's authority to bill for such services through LA DMH.

Considering the initial negative economic impact lead by the COVID-19 crisis and based on information previously obtained from CBHDA, the State's 2021-22 budget was expected to affect not only the allocation of 1991 Realignment dollars provided to Tri-City but the allocation of MHSA funds as well. As such, Tri-City has continued to closely watch for changes in projections of these funding sources and projections monitored by CBHDA. The California Behavioral Health Directors Association (CBHDA) is a non-profit advocacy association

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

representing the behavioral health directors from each of California's 58 counties, as well as two cities (Berkeley and Tri-City). At the beginning of the pandemic, preliminary projections provided by CBHDA indicated MHSA funding would likely not reach the previously expected levels due to delay in tax return filings. As such while the end of fiscal year 2019-20 experienced a decline in MHSA receipts, a temporary increase in MHSA receipts was experienced in fiscal year 2020-21 however, in 2021-22 Tri-City experienced a significant increase with MHSA funds reaching \$17.3 million. CBHDA had also previously predicted a significant decline in MHSA dollars during fiscal year 2022-23 however, these projections were then updated by CBHDA which indicated MHSA funds will be more in line with funds received in fiscal 2021-22 and before the end of Fiscal year 2022-23 and due to the severe weather, tax returns were once again delayed. As a result amounts closer to \$11 million were collected in fiscal Year 2022-23. Also due to the delayed tax returns, and a reported one-time adjustment reported by CBHDA Tri-City is expecting a significant increase in MHSA revenue in Fiscal Year 2023-24. Tri-City has included a projected \$23.7 million in MHSA Funds in Fiscal Year 2023-24.

With respect to 1991 Realignment, CBHDA has advised county behavioral health agencies to expect the base and minimal growth for approximately three to five years. Over the last four years Tri-City has received a minimum of \$3.9 million in 1991 Realignment Funding which is in excess of the base. In line with this information, Tri-City has projected that in addition to the base of approximately \$3.6 million, Tri-City is anticipating an additional \$800 thousand in growth in 1991 Realignment will be received during fiscal year 2023-24.

Based on the information noted above with regard to MHSA funding, MHSA funding projected to be received in Fiscal 2023-24 is \$23.7 million which is included in the Cash Flow Budget, while the amount that is recognized as revenue in the Operating Budget (amounts to be expended for the CSS, PEI and INN Plans) is \$15.5 million. With regard to transfers from CSS to WET or CFTN, in years when amounts are transferred, these amounts would not appear in the revenue section of the budget as these types of transfers are made from previously recognized and therefore would also not appear in the cash flow section as these funds have already been received. The amounts to be expended in fiscal year 2023-24 are in line with the MHSA Update recommended for approval by both the Stakeholders and Mental Health Commission, and then approved by the Governing Board in April 2023.

During fiscal 2016-17 a new program was approved in California's budget by Governor Brown which will reduce MHSA funding to all counties for several years, including Tri-City, by 7% for the purpose of funding a new program titled No place Like Home. The 7% reduction in funding has appropriately been reflected in this budget.

Clinical training and best practices standards remain to be a top priority to ensure that the best quality control policies and documentation requirements are met as well as ensuring that clinical outcome objectives are met. The quality assurance and improvement teams continue to work with both existing and new clinical staff to ensure proper training on the electronic health record systems, collaborative documentation, writing progress notes and billing requirements, especially during these unprecedented times. This training is an ongoing process for clinical staff and other affected staff to ensure that changes related to the electronic health records/billing system that are either mandated by the State or County or a result of improvement in Tri-City's systems are implemented. As expected, the corona virus crisis continues to impact how service is provided and as noted above, documentation of progress notes and training remain a top priority. In May of 2021, the Governing Board approved a new Capital Facilities & Technology Needs (CFTN) Plan to implement a new electronic health record

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

system which has now been implemented. Those approved expenditures were captured in prior year budget.

To date and during fiscal 2023-24, Tri-City provided mental health services to approximately 2,256 unduplicated clients who were served under both MHSA Full Service Partnership programs and Tri-City's outpatient clinic programs. The outpatient clinic operations depend on the funding from Realignment and Medi-Cal reimbursement. Realignment, which is funded through dedicated State taxes (including sales taxes), is the only source of funds that can be used to provide outpatient Medi-Cal services provided in the outpatient clinics, which are then reimbursed through Medi-Cal claim submission. Realignment is also the only source of funds for non Medi-Cal/non MHSA program outpatient clinic services. As a direct result of COVID-19, sales tax had been previously impacted not only by the economic halt, but also the postponement of sales tax payments by retailers in California in fiscal year 2020-21. However, the experience of realignment funding has been higher than expected and despite this experience, this budget has projected that realignment funding will be limited to the basic base projected by CBHDA. Medi-Cal FFP, which is considered a reimbursement of eligible costs incurred, provides funding for 50% of costs incurred, for services provided to eligible clients under Full Scope Medi-Cal (Short-Doyle/Medi-Cal) and 90% for services provided to eligible clients under MCE. As noted throughout the comprehensive budget document, payment reform under CalAIM will become effective July 1, 2023. Specifically, rates at which services will be reimbursed are changing and going from a cost reimbursement model to set rates and for specific services only. The revenue estimated in this budget have been projected using the rates provided to Tri-City from LADMH.

Effective May 1, 2016, undocumented children under age 19 became eligible for full-scope Medi-Cal health benefits regardless of their immigration status, which would include mental health services. Starting in January 1, 2020 full scope Medi-Cal was made available to young adults under the age of 26 regardless of immigration status (provided all other Medi-Cal eligibility rules are met). In addition, the State provides Medi-Cal match dollars for Early Periodic Screening Diagnosis and Treatment services provided to Medi-Cal eligible clients under the age of 21. Therefore, it is important that Tri-City manages its level of services to produce the appropriate level of State and Federal reimbursement and ensure that unreimbursed costs do not exceed the Realignment base of funds.

As the Executive Director has previously mentioned in a monthly staff report, the Governor has announced a proposed ballot measure that would dramatically alter MHSA funding and how Counties, along with Tri-City, would be required to utilize it. Although Management is closely following this proposal, its development, and potential requirements that come with it, as of today we are still compelled to follow the existing legislative requirements of MHSA law as it exists today.

Operating Budget

The operating budget (income/loss statement) presented herein has been prepared to take into consideration expected revenues and expenses associated with Tri-City's total Agency operations. This includes the outpatient clinic operations, which provide services to Medi-Cal eligible residents under Tri-City's agreement with LA DMH, and outpatient services to non-funded residents. In addition, this budget includes all MHSA services under the approved CSS, PEI, INN, WET and CFTN Programs/Projects as well as anticipated MHSA planning and administrative costs.

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

The operating budget is organized to show the projected 2023-24 operating budget for the Agency as a whole and for each major component of Tri-City's operations and compared to ending fiscal 2022-23 **projected and unaudited** operating results.

1. **Consolidated and Consolidating Operating Budgets.** This section presents the combination of the Clinic and MHSA operations into consolidated**ed** and consolidat**ing** formats in order to see Tri-City's projected operating budget in totality.

- The consolidated**ed** operating budget presents the combined total fiscal 2023-24 budget by quarters and the full year and compared to the prior fiscal year 2022-23 **projected and unaudited** results of operations.
- The consolidat**ing** operating budget presents the total 2023-24 fiscal year budgeted for TCMH Clinic, MHSA and each component's prior fiscal year 2022-23 **projected and unaudited** results of operations.

2. **TCMH Clinic or TCMH.** Tri-City's existing clinical operations located at 2008 N. Garey Avenue and 1900 Royalty Street in Pomona consist of the following programs:

- Children Outpatient Program
- Adult Outpatient Program
- Grant Programs (includes various one-time grants received by Tri-City)
- Administration

3. **MHSA.** Operations under Tri-City's approved Mental Health Services Act Plans currently consist of the following programs:

Community Services and Support (CSS):

- Full Service Partnerships (FSP) – Children, TAY, Adult and Older Adult
- Community Navigators
- Wellness Center
- Supplemental Crisis Services
- Field Capable Clinical Services For Older Adults
- Permanent Supportive Housing
- Access to Care
- CSS Administration for the CSS programs above

Prevention and Early Intervention (PEI):

- Community Capacity Building Programs (Community Wellbeing, Stigma Reduction and Suicide Prevention, and Community Mental Health Training/Trainers)
- Older Adult Wellbeing (Peer Mentor)
- Transition-Age Youth Wellbeing (Peer Mentor)

Tri-City Mental Health Authority
Budget For The Fiscal Year 2023-24
Assumptions

- Family Wellbeing
- NAMI Community Capacity Building Program (Ending the Silence)
- Housing Stability Program
- Therapeutic Community Gardening
- Early Psychosis Program
- School Based Services Program
- PEI Administration for the PEI programs above

Innovation (INN):

- Help @ Hand Tech Suite Project
- Psychiatric Advance Directive (PADS) Multicounty Collaborative
- Administration for the INN programs above

Workforce, Education and Training (WET):

- A Systematic Approach to Learning and Improvement
- Engaging Volunteers and Future Employees
- Administration for the WET programs above

Capital Facilities and Technology Needs Projects (CFTN): With regard to the CFTN Plan, CFTN funds are one-time use funds and in order to continue projects in the CFTN plan, transfers of MHSA CSS Plan must be made into the CFTN Plan. These transfers must first be approved by the stakeholders. Over the years several transfers have been made into the CFTN plan to fund various projects with the most recent transfers approved in the Fiscal Year 2022-23 Annual Update in the total amount of \$2.7 million and \$2.5 million in the Fiscal Year 2023-24 Annual Update.

The following projects are either on-going, scheduled to begin during Fiscal Year 2022-23 or are near completion during Fiscal Year 2023-24 and as such are included in this budget respectively.

- Office Space Remodel (Included in the 2020 CFTN Plan)
- Capital Improvements to Therapeutic Community Garden (Included in the 2020 CFTN Plan)
- IT Infrastructural Needs Plan, Including but Not Limited to Computer Turnover & Network Refresh (Included in the 2022 CFTN Plan)
- Administrative Professional Building (Only the remaining depreciation expense related to this project have been included in this budget)
- Administration for the CFTN Projects

Cash Flow Budget

The cash flow budget presented herein has been prepared to take into consideration expected funding and costs associated with Tri-City's operations including revenues passed through to Tri-City through its agreement with LA DMH for the provision of outpatient mental health services for Medi-Cal eligible Tri-City residents, and the MHSA CSS, PEI, INN, WET and CFTN approved plans. It should be noted that the funding sources from MHSA can only be used for the approved MHSA programs/projects and planning costs.

The Realignment funding is only used for Tri-City's outpatient clinic and other costs relating to the provision of mental health care that does not fall under any MHSA programs. Medi-Cal funding reimburses costs incurred to provide Medi-Cal services to Medi-Cal eligible consumers. Therefore, this budget includes Medi-Cal reimbursement for the outpatient clinic operations as well as Medi-Cal services provided through the Full Service Partnership ("FSP") and although the Field Capable Services for Older Adults program has the potential to generate some Medi-Cal reimbursement revenue, only a minimal amount is currently projected to be collected in fiscal 2023-24.

The projected cash flow is susceptible to change and represents a broad overview of Tri-City's cash flow. The respective cash flows for Tri-City's clinical operations (TCMH) and MHSA programs are based on management's best estimates of when various events may take place, some of which may not always be within Tri-City's control, including the following:

1. Receipt of funds for Medi-Cal services billed through the LA DMH system.
2. Receipt of remaining Medi-Cal reimbursements previously withheld by LA DMH.
3. Purchasing of capital items.
4. Funding of awards issued under the MHSA PEI programs.
5. Timing of expenditures under the MHSA programs/projects.
6. Receipt of projected MHSA funding.

The cash flow budget is organized to show the projected cash flow budget for the Agency as a whole and for each major component of Tri-City's operations as follows:

Consolidated and Consolidating Cash Flow Budgets. This section presents the combination of the Clinic and MHSA operations into consolidated^{**ed**} and consolidating^{**ing**} formats in order to see Tri-City's projected cash flow budget in totality.

- The consolidated^{**ed**} cash flow budget presents the combined total budget by quarters and the full year and compared to the prior fiscal year 2022-23 **projected** cash flow.
- The consolidating^{**ing**} cash flow budget presents the total fiscal year budgeted for TCMH Clinic, MHSA and Total, and compared to the prior fiscal year 2022-23 **projected** cash flow.

TRI-CITY MENTAL HEALTH AUTHORITY

Proposed

CONSOLIDATED AND CONSOLIDATING OPERATIONS

OPERATING BUDGET AND CASH FLOW BUDGET

FISCAL YEAR 2023-24

**TRI-CITY MENTAL HEALTH AUTHORITY-TOTAL AGENCY
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2023-24**

	1ST QRT	FY 2023-24 2ND QRT	3RD QRT	4TH QRT	BUDGET FY 2023-24	% to Rev	PROJECTED FY 2022-23 (Note)	% to Rev	\$\$\$ Variance
REVENUE									
MEDI-CAL ADULT FFP	\$ 1,206,256	\$ 1,206,256	\$ 1,206,256	\$ 1,206,256	\$ 4,825,023	16.3%	\$ 4,334,336	14.2%	\$ 490,687
MEDI-CAL CHILDREN FFP	668,850	668,850	668,850	668,850	2,675,401	9.0%	2,318,786	7.6%	356,615
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%	1,400,818	4.6%	(1,400,818)
REALIGNMENT	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000	14.9%	4,443,190	14.6%	(43,190)
MEDICARE	1,775	1,775	1,775	1,775	7,100	0.0%	7,300	0.0%	(200)
PATIENT FEES/INSURANCE	250	250	250	250	1,000	0.0%	1,000	0.0%	-
MHSA FUNDING	3,884,836	3,884,836	3,884,836	3,884,836	15,539,345	52.5%	16,505,170	54.1%	(965,825)
CITY SHARE - LA VERNE	-	-	14,561	-	12,000	0.0%	12,000	0.0%	-
CITY SHARE - CLAREMONT	-	-	43,675	-	14,561	0.0%	14,561	0.0%	-
CITY SHARE - POMONA	-	-	43,675	-	43,675	0.1%	43,675	0.1%	-
GRANTS	259,065	259,065	259,065	259,065	1,036,261	3.5%	438,934	1.4%	597,327
INTEREST INCOME	226,606	226,606	226,606	226,606	906,423	3.1%	473,775	1.6%	432,648
RENTAL AND OTHER INCOME	27,547	27,547	27,547	27,547	110,188	0.4%	102,390	0.3%	7,798
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%	433,576	1.4%	(433,576)
TOTAL REVENUES	7,375,185	7,375,185	7,445,421	7,375,185	29,570,977	100.0%	30,529,511	100.0%	(958,534)
EXPENSES									
SALARY COSTS									
SALARY AND WAGES	5,500,073	5,500,073	5,500,073	5,500,073	22,000,293	74.4%	17,665,200	57.9%	4,335,093
INSURANCE-Health/workers comp/life	865,567	865,567	865,567	865,567	3,462,269	11.7%	2,281,033	7.5%	1,181,236
RETIREMENT COSTS	887,194	887,194	887,194	887,194	3,548,775	12.0%	2,102,752	6.9%	1,446,023
PAYROLL TAXES	132,057	132,057	132,057	132,057	528,227	1.8%	309,746	1.0%	218,481
MISC COSTS	129,845	129,845	129,845	129,845	519,380	1.8%	317,508	1.0%	201,872
	7,514,736	7,514,736	7,514,736	7,514,736	30,058,944	101.7%	22,676,239	74.3%	7,382,705
FACILITY COSTS									
STORAGE LEASES	16,834	16,834	16,834	16,834	67,337	0.2%	65,376	0.2%	1,961
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%	-	0.0%	-
FACILITY RENT	64,541	64,541	64,541	64,541	258,162	0.9%	250,642	0.8%	7,520
UTILITIES	26,230	26,230	26,230	26,230	104,918	0.4%	101,861	0.3%	3,057
BUILDING REPAIRS AND MAINTENANCE	38,602	38,602	38,602	38,602	154,408	0.5%	149,911	0.5%	4,497
JANITORIAL SERVICES & SUPPLIES	25,986	25,986	25,986	25,986	103,942	0.4%	100,914	0.3%	3,028
WASTE DISPOSAL	5,325	5,325	5,325	5,325	21,299	0.1%	20,681	0.1%	618
	177,517	177,517	177,517	177,517	710,066	2.4%	689,385	2.3%	20,681
EQUIPMENT COSTS									
EQUIPMENT RENTAL/LEASE	31,364	31,364	31,364	31,364	125,456	0.4%	121,807	0.4%	3,649
EQUIP MAINT/REPAIRS	5,222	5,222	5,222	5,222	20,886	0.1%	20,277	0.1%	609
EQUIP/FURNITURE PURCHASES EXPENSED	8,933	8,933	8,933	8,933	35,731	0.1%	36,958	0.1%	(1,227)
AUTO EXPENSES	3,762	3,762	3,762	3,762	15,048	0.1%	14,669	0.0%	379
AUTO INSURANCE	13,178	13,178	13,178	13,178	52,710	0.2%	53,727	0.2%	(1,017)
CELLULAR/PAGER LEASES	40,340	40,340	40,340	40,340	161,361	0.5%	158,915	0.5%	2,446
	102,798	102,798	102,798	102,798	411,192	1.4%	406,353	1.3%	4,839

**TRI-CITY MENTAL HEALTH AUTHORITY-TOTAL AGENCY
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 2023-24 QUARTERS				BUDGET	% to	PROJECTED	% to	Variance
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	Rev	FY 2022-23	Rev	\$
OTHER SERVICES AND SUPPLIES	41,280	41,280	41,280	41,280	165,120	0.6%	124,361	0.4%	40,759
CONFERENCES, SEMINARS & RELATED COSTS	2,536	2,536	2,536	2,536	10,142	0.0%	9,848	0.0%	294
MILEAGE REIMBURSEMENT	17,854	17,854	17,854	17,854	71,414	0.2%	72,119	0.2%	(705)
PERSONNEL ADS	86,557	86,557	86,557	86,557	346,226	1.2%	543,262	1.8%	(197,036)
PROFESSIONAL LIABILITY INSURANCE	157,619	157,619	157,619	157,619	630,476	2.1%	612,113	2.0%	18,363
SECURITY	46,305	46,305	46,305	46,305	185,220	0.6%	179,825	0.6%	5,395
DUES & SUBSCRIPTIONS	13,280	13,280	13,280	13,280	53,118	0.2%	51,758	0.2%	1,360
OTHER SUPPLIES	1,816	1,816	1,816	1,816	7,263	0.0%	7,158	0.0%	105
PRINTING	9,681	9,681	9,681	9,681	38,725	0.1%	194,600	0.6%	(155,875)
CLIENT EXPENSES	1,685	1,685	1,685	1,685	6,740	0.0%	6,544	0.0%	196
LAB COST	1,940	1,940	1,940	1,940	7,761	0.0%	7,535	0.0%	226
AMBULANCE COSTS	7,306	7,306	7,306	7,306	29,224	0.1%	28,991	0.1%	233
OFFICE SUPPLIES	844	844	844	844	3,377	0.0%	3,279	0.0%	98
POSTAGE	3,035	3,035	3,035	3,035	12,138	0.0%	11,784	0.0%	354
RECORD DESTRUCTION	95,580	95,580	95,580	95,580	382,320	1.3%	420,233	1.4%	(37,913)
TELEPHONE EXPENSES	63,609	63,609	63,609	63,609	254,435	0.9%	249,694	0.8%	4,741
COMPUTER SYSTEMS & SOFTWARE	42,099	42,099	42,099	42,099	168,394	0.6%	163,489	0.5%	4,905
DATA PROCESSING/LICENSES	13,858	13,858	13,858	13,858	55,433	0.2%	(94,838)	-0.3%	150,271
MISCELLANEOUS	606,882	606,882	606,882	606,882	2,427,526	8.2%	2,591,755	8.5%	(164,229)
SPECIFIC COSTS									
PROGRAMS:									
CLIENT SUPPORT COSTS	132,299	132,299	132,299	132,299	529,197	1.8%	439,366	1.4%	89,831
UNIQUE MHSA PROGRAM RELATED COSTS	396,766	396,766	396,766	396,766	1,587,064	5.4%	1,672	0.0%	1,585,392
COMMUNITY GRANTS	30,000	30,000	30,000	30,000	120,000	0.4%	75,667	0.2%	44,333
WET-LEARNING & OUTREACH	24,345	24,345	24,345	24,345	97,381	0.3%	94,545	0.3%	2,836
PROFESSIONAL SERVICES	64,639	64,639	64,639	64,639	258,557	0.9%	253,781	0.8%	4,776
ADMINISTRATIVE:									
DIRECTORS & OFFICERS INSURANCE	7,473	7,473	7,473	7,473	29,890	0.1%	29,019	0.1%	871
PROFESSIONAL SERVICES	12,219	12,219	12,219	12,219	48,875	0.2%	31,748	0.1%	17,127
ATTORNEY FEES	49,284	49,284	49,284	49,284	197,134	0.7%	191,392	0.6%	5,742
BANK FEES	3,403	3,403	3,403	3,403	13,613	0.0%	13,217	0.0%	396
AUDIT FEES	12,507	12,507	12,507	12,507	50,028	0.2%	48,571	0.2%	1,457
	732,935	732,935	732,935	732,935	2,931,739	9.9%	1,178,978	3.9%	1,752,761
DEPRECIATION AND AMORT	229,543	229,543	229,543	229,543	918,171	3.1%	593,478	1.9%	324,693
TOTAL COSTS	9,364,410	9,364,410	9,364,410	9,364,410	37,457,638	126.7%	28,136,188	92.2%	9,321,450
INCOME (LOSS) FROM OPERATIONS	\$ (1,989,224)	\$ (1,989,224)	\$ (1,918,988)	\$ (1,989,224)	\$ (7,886,661)	-26.7%	\$ 2,393,323	7.8%	\$ (10,279,984)

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on 9 months results through March 31, 2023.

Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING OPERATING BUDGET
FISCAL YEAR 2023-24

	FY 2023-24 BUDGET			FY 2022-23 PROJECTED (Note)			2024 BUDGET vs 2023 PROJECTED		
	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL
REVENUE									
MEDI-CAL ADULT FFP	1,866,856	2,958,167	4,825,023	1,694,736	2,639,600	4,334,336	172,120	318,567	490,687
MEDI-CAL CHILDREN FFP	1,275,822	1,399,579	2,675,401	1,088,067	1,230,719	2,318,786	187,755	168,860	356,615
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	685,319	715,499	1,400,818	(685,319)	(715,499)	(1,400,818)
REALIGNMENT	4,400,000	-	4,400,000	4,443,190	-	4,443,190	(43,190)	-	(43,190)
MEDICARE	5,000	2,100	7,100	5,000	2,300	7,300	-	(200)	(200)
PATIENT FEES/INSURANCE	1,000	-	1,000	1,000	-	1,000	-	-	-
MHSA FUNDING	-	15,539,345	15,539,345	-	16,505,170	16,505,170	-	(965,825)	(965,825)
CITY SHARE - LA VERNE	12,000	-	12,000	12,000	-	12,000	-	-	-
CITY SHARE - CLAREMONT	14,561	-	14,561	14,561	-	14,561	-	-	-
CITY SHARE - POMONA	43,675	-	43,675	43,675	-	43,675	-	-	-
GRANTS	1,036,261	-	1,036,261	438,934	-	438,934	597,327	-	597,327
INTEREST INCOME	130,500	775,923	906,423	76,489	397,286	473,775	54,011	378,637	432,648
RENTAL AND OTHER INCOME	12,188	98,000	110,188	6,505	95,885	102,390	5,683	2,115	7,798
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	320,063	113,513	433,576	(320,063)	(113,513)	(433,576)
TOTAL REVENUES	8,797,863	20,773,114	29,570,977	8,829,539	21,699,972	30,529,511	(31,676)	(926,856)	(958,534)
EXPENSES									
SALARY COSTS									
FTE's	83.2	167.5	250.7	76.7	119.3	196.0	6.5	48.2	54.7
SALARY AND WAGES	7,024,100	14,376,133	22,000,293	6,088,658	11,576,542	17,665,200	1,555,442	2,799,661	4,335,093
INSURANCE-Health/workers comp/life	1,198,189	2,264,080	3,462,269	767,851	1,513,182	2,281,033	430,338	750,898	1,181,236
RETIREMENT COSTS	1,242,409	2,306,366	3,548,775	751,052	1,351,700	2,102,752	491,357	954,666	1,446,023
PAYROLL TAXES	182,832	345,395	528,227	113,082	196,664	309,746	69,750	148,731	218,481
MISC COSTS	178,903	340,477	519,380	123,275	194,233	317,508	55,628	146,244	201,872
	10,426,433	19,632,511	30,058,944	7,843,918	14,832,321	22,676,239	2,582,515	4,800,190	7,382,705
FACILITY COSTS									
STORAGE LEASES	32,831	34,506	67,337	31,875	33,501	65,376	956	1,005	1,961
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	-	-	-	-
FACILITY RENT	101,913	156,249	258,162	98,944	151,698	250,642	2,969	4,551	7,520
INTERCOMPANY FACILITY CHARGES	(43,907)	43,907	-	(42,628)	42,628	-	(1,279)	1,279	-
UTILITIES	25,716	79,202	104,918	24,967	76,894	101,861	749	2,308	3,057
BUILDING REPAIRS AND MAINTENANCE	46,966	107,442	154,408	45,599	104,312	149,911	1,367	3,130	4,497
JANITORIAL SERVICES & SUPPLIES	29,963	73,979	103,942	29,090	71,824	100,914	873	2,155	3,028
WASTE DISPOSAL	4,496	16,803	21,299	4,365	16,316	20,681	131	487	618
	197,978	512,088	710,066	192,212	497,173	689,385	5,766	14,915	20,661
EQUIPMENT COSTS									
EQUIPMENT RENTAL/LEASE	42,466	82,990	125,456	41,230	80,577	121,807	1,236	2,413	3,649
EQUIP MAINT/REPAIRS	7,196	13,690	20,886	6,986	13,291	20,277	210	399	609
EQUIP/FURNITURE PURCHASES EXPENSED	10,362	25,369	35,731	12,326	24,632	36,968	(1,964)	737	(1,227)
AUTO EXPENSES	615	14,433	15,048	657	14,012	14,669	(42)	421	379
AUTO INSURANCE	7,185	45,525	52,710	9,528	44,199	53,727	(2,343)	1,326	(1,017)
CELLULAR/PAGER LEASES	52,453	108,908	161,361	53,177	105,738	158,915	(724)	3,170	2,446
	120,277	290,916	411,193	123,904	282,449	406,353	(3,627)	8,467	4,840

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING OPERATING BUDGET
FISCAL YEAR 2023-24

	FY 2023-24 BUDGET			FY 2022-23 PROJECTED (Note)			INCREASE (DECREASE) 2024 BUDGET vs 2023 PROJECTED		
	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL
OTHER SERVICES AND SUPPLIES									
CONFERENCES, SEMINARS & RELATED COSTS	4,689	160,431	165,120	5,246	119,115	124,361	(557)	41,316	40,759
MILEAGE REIMBURSEMENT	668	9,474	10,142	649	9,199	9,848	19	275	294
PERSONNEL ADS	29,516	41,898	71,414	31,442	40,677	72,119	(1,926)	1,221	(705)
PROFESSIONAL LIABILITY INSURANCE	112,731	233,495	346,226	316,567	226,695	543,262	(203,836)	6,800	(197,036)
SECURITY	155,384	475,092	630,476	150,859	461,254	612,113	4,525	13,838	18,363
DUES & SUBSCRIPTIONS	20,781	164,439	185,220	20,175	159,650	179,825	606	4,789	5,395
OTHER SUPPLIES	15,271	37,847	53,118	15,011	36,747	51,758	260	1,100	1,360
PRINTING	2,777	4,486	7,263	2,801	4,357	7,158	(24)	129	105
CLIENT EXPENSES	2,284	36,441	38,725	84,802	109,798	194,600	(82,518)	(73,357)	(155,875)
LAB COST	6,081	659	6,740	5,904	640	6,544	177	19	196
AMBULANCE COSTS	5,419	2,342	7,761	5,261	2,274	7,535	158	68	226
OFFICE SUPPLIES	10,381	18,843	29,224	10,697	18,294	28,991	(316)	549	233
POSTAGE	1,276	2,101	3,377	1,239	2,040	3,279	37	61	98
RECORD DESTRUCTION	6,433	5,705	12,138	6,245	5,539	11,784	188	166	354
TELEPHONE EXPENSES	132,924	249,396	382,320	129,053	291,180	420,233	3,871	(41,784)	(37,913)
COMPUTER SYSTEMS & SOFTWARE	96,553	157,882	254,435	96,409	153,285	249,694	144	4,597	4,741
DATA PROCESSING/LICENSES	80,041	88,353	168,394	77,710	85,779	163,489	2,331	2,574	4,905
MISCELLANEOUS	13,865	41,568	55,433	(135,195)	40,357	(94,838)	149,060	1,211	150,271
	697,074	1,730,452	2,427,526	824,875	1,766,880	2,591,755	(127,801)	(36,428)	(164,229)
SPECIFIC COSTS									
PROGRAMS:									
CLIENT SUPPORT COSTS	-	529,197	529,197	-	439,366	439,366	-	89,831	89,831
UNIQUE MHSA PROGRAM RELATED COSTS	-	1,587,064	1,587,064	-	1,672	1,672	-	1,585,392	1,585,392
COMMUNITY GRANTS	-	120,000	120,000	-	75,667	75,667	-	44,333	44,333
GRANTS	-	-	-	-	-	-	-	-	-
WET--LEARNING & OUTREACH	-	97,381	97,381	-	94,545	94,545	-	2,836	2,836
PROFESSIONAL SERVICES	39,704	218,853	258,557	4,999	248,782	253,781	34,705	(29,929)	4,776
ADMINISTRATIVE:									
DIRECTORS & OFFICERS INSURANCE	11,256	18,634	29,890	10,928	18,091	29,019	328	543	871
PROFESSIONAL SERVICES	28,771	20,104	48,875	12,230	19,518	31,748	16,541	586	17,127
ATTORNEY FEES	72,381	124,753	197,134	70,272	121,120	191,392	2,109	3,633	5,742
BANK FEES	7,555	6,058	13,613	7,335	5,882	13,217	220	176	396
AUDIT FEES	18,841	31,187	50,028	18,292	30,279	48,571	549	908	1,457
	178,508	2,753,231	2,931,739	124,056	1,054,922	1,178,978	54,452	1,698,309	1,752,761
DEPRECIATION AND AMORT									
	283,888	634,283	918,171	171,248	422,230	593,478	112,640	212,053	324,693
TOTAL COSTS	11,904,158	25,553,481	37,457,639	9,280,213	18,855,975	28,136,188	2,623,945	6,697,506	9,321,451
INCOME (LOSS) FROM OPERATIONS	\$ (3,106,295)	\$ (4,780,367)	\$ (7,886,662)	\$ (450,674)	\$ 2,843,997	\$ 2,393,323	\$ (2,655,621)	\$ (7,624,364)	\$ (10,279,985)

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on nine months results through March 31, 2023.

Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

**TRI-CITY MENTAL HEALTH AUTHORITY--TOTAL AGENCY
CONSOLIDATED CASH FLOW BUDGET
FISCAL YEAR 2023-24**

	FY 2023-24 QUARTERS				BUDGET FY 2023-24	PROJECTED FY 2022-23
	1ST QRT	2ND QRT	3RD QRT	4TH QRT		
CASH FLOWS FROM OPERATING ACTIVITIES						
CASH RECEIVED FROM AND ON BEHALF OF PATIENTS	\$ 1,783,376	\$ 3,300,664	\$ 3,185,735	\$ 7,204,739	\$ 15,474,513	\$ 8,453,147
CASH PAYMENTS TO SUPPLIERS AND CONTRACTORS	(1,620,131)	(1,620,131)	(1,620,131)	(1,620,131)	(6,480,523)	(5,050,523)
PAYMENTS TO OR ON BEHALF OF EMPLOYEES	(7,514,736)	(7,514,736)	(7,514,736)	(7,514,736)	(30,058,944)	(22,208,054)
NET CASH USED BY OPERATING ACTIVITIES	(7,351,491)	(5,834,203)	(5,949,132)	(1,930,128)	(21,064,954)	(18,805,430)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
MHSA FUNDING	5,920,450	4,736,360	7,104,540	5,920,450	23,681,800	11,464,557
REALIGNMENT	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000	5,101,411
GRANTS	259,065	259,065	259,065	259,065	1,036,261	489,844
CONTRIBUTIONS FROM MEMBER CITIES					70,236	70,236
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	7,279,515	6,095,425	8,533,841	7,279,515	29,188,297	17,126,048
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
PURCHASE OF CAPITAL ASSETS:						
BUILDING AND IMPROVEMENTS	(207,384)	(159,788)	(112,192)	(64,596)	(543,960)	(15,000)
LAND						
OFFICE FURNITURE, EQUIPMENT & VEHICLES	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)	(77,271)
IT EQUIPMENT, HARDWARE AND SOFTWARE LICENSES	(106,000)	(68,000)	(68,000)	(68,000)	(310,000)	-
VEHICLES						
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(323,384)	(237,788)	(190,192)	(142,596)	(893,960)	(92,271)
CASH FLOW FROM INVESTING ACTIVITIES						
INTEREST RECEIVED	226,606	226,606	226,606	226,606	906,423	757,479
OTHER INCOME RECEIVED	27,547	27,547	27,547	27,547	110,188	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	254,153	254,153	254,153	254,153	1,016,611	757,479
NET CHANGE IN CASH	(141,207)	277,587	2,648,670	5,460,944	8,245,994	(1,014,175)
CASH BEGINNING BALANCE (Projected)	38,877,374	38,736,167	39,013,754	41,662,424	38,877,374	39,891,549
CASH ENDING BALANCE	\$ 38,736,167	\$ 39,013,754	\$ 41,662,424	\$ 47,123,368	\$ 47,123,368	\$ 38,877,374
CASH RECAP:						
FUNDS AVAILABLE FOR TCMH-CLINICAL OPERATIONS	\$ 8,084,220	\$ 8,391,953	\$ 8,657,830	\$ 9,560,810	\$ 9,560,810	\$ 8,887,687
FUNDS AVAILABLE FOR MHSA OPERATIONS	30,651,948	30,621,801	33,004,594	37,562,558	37,562,558	29,989,687
	\$ 38,736,167	\$ 39,013,754	\$ 41,662,424	\$ 47,123,368	\$ 47,123,368	\$ 38,877,374

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on nine months results through March 31, 2023. Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

38,877,374

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING CASH FLOW BUDGET
FISCAL YEAR 2023-24**

	FY 2023-24 BUDGET			PROJECTED FY 2022-23 (Note)		
	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL	TCMH CLINIC (REALIGNMENT)	MHSA	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES						
CASH RECEIVED FROM AND ON BEHALF OF PATIENTS	6,808,301	\$ 8,666,212	\$ 15,474,513	\$ 4,147,080	\$ 4,306,067	\$ 8,453,147
CASH PAYMENTS TO SUPPLIERS AND CONTRACTORS	(1,193,837)	(5,286,686)	(6,480,523)	(1,423,166)	(3,627,356)	(5,050,523)
PAYMENTS TO OR ON BEHALF OF EMPLOYEES	(10,426,433)	(19,632,511)	(30,058,944)	(7,278,474)	(14,929,580)	(22,208,054)
NET CASH USED BY OPERATING ACTIVITIES	(4,811,969)	(16,252,985)	(21,064,954)	(4,554,560)	(14,250,870)	(18,805,430)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
MHSA FUNDING	-	23,681,800	23,681,800	-	11,464,557	11,464,557
REALIGNMENT	4,400,000	-	4,400,000	5,101,411	-	5,101,411
GRANTS	1,036,261	-	1,036,261	489,844	-	489,844
CONTRIBUTIONS FROM MEMBER CITIES	70,236	-	70,236	70,236	-	70,236
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	5,506,497	23,681,800	29,188,297	5,661,491	11,464,557	17,126,048
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
PURCHASE OF CAPITAL ASSETS:						
BUILDING AND IMPROVEMENTS	(68,000)	(475,960)	(543,960)	(15,000)	-	(15,000)
LAND	-	-	-	-	-	-
OFFICE FURNITURE, EQUIPMENT & VEHICLES	(20,000)	(20,000)	(40,000)	-	-	-
IT EQUIPMENT, HARDWARE AND SOFTWARE LICENSES	(120,000)	(190,000)	(310,000)	(12,007)	(65,264)	(77,271)
VEHICLES	-	-	-	-	-	-
RECEIPT/PAYMENT OF INTERCOMPANY ADVANCES BETWEEN OPERATIONS	43,907	(43,907)	-	(705,022)	705,022	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(164,093)	(729,867)	(893,960)	(732,029)	639,758	(92,271)
CASH FLOW FROM INVESTING ACTIVITIES						
INTEREST RECEIVED	130,500	775,923	906,423	126,027	631,452	757,479
OTHER INCOME RECEIVED	12,188	98,000	110,188	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	142,688	873,923	1,016,611	126,027	631,452	757,479
NET CHANGE IN CASH	673,123	7,572,871	8,245,994	500,928	(1,515,103)	(1,014,175)
CASH BEGINNING BALANCE (Projected)	8,887,687	29,989,687	38,877,374	8,386,759	31,504,790	39,891,549
CASH ENDING BALANCE	\$ 9,560,810	\$ 37,562,558	\$ 47,123,368	\$ 8,887,687	\$ 29,989,687	\$ 38,877,374

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on nine months results through March 31, 2023. Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

TRI-CITY MENTAL HEALTH AUTHORITY
TCMH - HISTORICAL OUTPATIENT CLINICAL OPERATIONS
PROPOSED
OPERATING BUDGET AND CASH FLOW BUDGET
FISCAL YEAR 2023-24

TCMH – HISTORICAL OUTPATIENT CLINICAL OPERATIONS

BUDGETED OPERATING INCOME

GENERAL INFORMATION

The Outpatient Clinical (TCMH) budget includes the projected funding and operating costs of the Adult Outpatient Clinic Program, the Child and Family Outpatient Clinic Program, the associated Administration of these programs and the various Grant programs currently being administered by Tri-City.

Revenues for these programs, as previously noted, include 1991 Realignment, Medi-Cal cost reimbursement from FFP and State EPSDT Medi-Cal as well as a few State and Local grants. These revenues were projected based on Tri-City's past experience, expected increases to service requests and projected state revenue information obtained from the California Behavioral Health Director Association. As previously introduced and further explained below, CalAIM initiatives include payment reform which transforms how patient care services are paid for by the State of California. Effective July 1, 2023, FFP and State EPSDT eligible services will be paid to Tri-City through a Fee-For-Service model with set rates which is a change from a cost reimbursement payment model. Specifically, increased costs that have previously been compensated through an annual true-up process is being eliminated and replaced by a set fee structure. Tri-City will continue to receive payment for services as a passthrough from the County of Los Angeles Department of Mental Health as in past years.

Total budgeted costs for the above noted Outpatient programs of \$11.9 million include salaries and benefits of approximately \$10.4 million and approximately \$1.5 million in other operating costs including cost for facilities, equipment, and other services and supplies. This budget assumes various vacancies will be fully occupied throughout the fiscal year, however actual experience will differ. For fiscal 2023-24, the salaries and benefits associated with Tri-City's Executive team, Senior Management team, and administrative staff who serve the entire Agency, are anticipated to spend approximately 31% of their time on TCMH programs. This budget includes a total of 26.0 FTEs of allocated time for these staff which have been allocated to reflect the staffing proportions of the Agency.

The program descriptions for each of the programs included in the Outpatient Clinic Budget are discussed below:

- Children and Family Outpatient Program
- Adult Outpatient Program
- Grant Programs
- Administration

CHILDREN AND FAMILY OUTPATIENT PROGRAM

Since 1960, Tri-City Mental Health has been providing outpatient specialty mental services for the residents of Pomona, Laverne and Claremont. These services are provided to children and youth ages 0 to 21 at the children's outpatient clinic located in Pomona (the Royalty Building). Funding for this program includes 1991 Realignment, and Federal and State Medi-Cal funding. Medi-Cal funds are made up of Federal Financial Participation (FFP) and the State's match, Early and Periodic Screening, Diagnostic and Treatment (EPSDT). 1991 Realignment is derived from State Vehicle License Fees and Sales Tax collected at the State level. As explained previously, payment reform under CalAim will become effective July 1, 2023 and what this means for Tri-City specifically is that rates at which services will be reimbursed are changing and going from a cost reimbursement model to pre-set rates and for specific services only.

ADULT OUTPATIENT PROGRAM

Since 1960, Tri-City Mental Health has been providing outpatient specialty mental services for the residents of Pomona, Laverne and Claremont. These services are provided to adults age 18 and over at the adult outpatient clinic also located in Pomona (the Garey Building). Funding for this program includes 1991 Realignment and Medi-Cal funding, Federal Financial Participation (FFP). 1991 Realignment is derived from State Vehicle License Fees and Sales Tax collected at the State level.

GRANT PROGRAMS

On occasion, Tri-City is the recipient of grants for specific programs or purposes and typically include one-time funding or limited and short-term in nature. Within the Grants Programs caption, various grant funds and corresponding expenditures have been budgeted to include the following described programs:

Crisis Care Mobile Units (CCMU) - The CCMU program integrates monies from state general funds that are part of the Behavioral Health Continuum Infrastructure Program, and from DHCS funding from Substance Abuse Mental Health Services Administration through the Coronavirus Response and Relief Supplemental Appropriations Act. The funding seeks to prioritize services to individuals 25 and younger, which may include activities such as conducting needs assessments for youth services; placing mobile units near schools and universities, outreach, public education campaigns, and taking measurable steps towards addressing the youth and young adult crisis needs within the community. Tri-City Mental Health Authority submitted a proposal that was accepted and funded for the amount of \$200,000.00. The grant is for developing an action plan to expand mobile crisis response for youth in the Tri-City catchment area. The planning phase of this program began during fiscal year 2021-22 and the remaining portion of this planning grant is included in this budget (2023-24). In addition, during fiscal year 2022-23 an infrastructure grant in the amount of \$300,000 has been awarded to Tri-City and in the process of awaiting acceptance by our Governing Board. The plan will be to purchase vehicles for the program with this infrastructure grant.

Mental Health Student Services Act (MHSSA) - The Mental Health Services Oversight & Accountability Commission (Commission) Strategic Plan includes the priorities and objectives for the years 2020-2023. One of these objectives is to “promote school mental health as a prime opportunity to reach and serve at-risk children, families and neighborhoods.” This will be accomplished through the implementation of the Mental Health Student Services Act (MHSSA) as the Commission will have the opportunity to work with grantees who can share lessons learned and identify areas for improvement.

The MHSSA is intended to foster stronger school-community mental health partnerships that can leverage resources to help students succeed by authorizing counties and local educational agencies to enter into partnerships to create programs that include targeted interventions for pupils with identified social-emotional, behavioral, and academic needs. School-community mental health partnerships offer an opportunity to reach children and youth in an environment where they are comfortable and that is accessible. During fiscal year 2022-23 Tri- City Mental Health Authority submitted a proposal that was accepted and the awarded funding for this program will be a total of \$3,820,932.00 over the course of four years. The planning phase of this program has begun during fiscal year 2022-23.

ADMINISTRATION

These costs include the administrative functions required to oversee the various programs primarily funded through 1991 Realignment within the Tri-City Mental Health Outpatient Budget. The outpatient budget includes salary costs, professional fees, attorney fees, information system costs, equipment costs, and supply costs. Personnel costs include 83.2 FTEs of various personnel who directly work on with the varying programs, in addition to allocated time of Executive/Senior Management, as well as data collection, billing and accounting personnel.

REVENUES

Revenues were projected based on existing program funding, including Realignment funding, Medi-Cal cost reimbursement from the Federal Medicaid Program and California Departments of Health Care Services (“DCHS” or “State”), and other funding and sometimes grant funds.

Tri-City submits its Medi-Cal claims through LAC DMH and receives FFP cost reimbursement for all qualifying mental health services, as well as additional cost reimbursement from State Mental Health Funds (SMHF) for qualifying mental health services to children and youth under age 21 through Early Periodic Screening Diagnosis and Treatment services funding (EPSDT/SMHF). The Medi-Cal FFP and EPSDT/SMHF revenues are estimated based on projected level of service hours to be provided by care providers employed or to be hired by Tri-City.

Annually, Tri-City participates in training and continually strives to stay abreast of legislation and various changes that may financially impact the agency or the services we provide. California’s Advancing Innovation in Medi-Cal (CalAIM) is the State’s long-term commitment to transform and strengthen Medi-Cal. The goal is to provide Californians with more equitable, coordinated and person-centered care. As part of this implementation, the key priorities are to improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform. While the state continues to advance and fully implement the initiatives of CalAIM, Tri-City continues to attend monthly meetings with CBHDA for key updates. Specifically, Tri-City’s finance department continues to closely follow any

updates related to payment reform and continues to prepare for comprehensive changes to reimbursable service rates, and while some information has been made available, not all details have been finalized. As indicated above, one of the key priorities of CalAIM is payment reform which specifically, transitions the payment for services from Cost Reimbursement to a Fee-For-Service model. Thus far, the fee for service rates have been disclosed which were utilized for the preparation of this budget. The rates provided are considered gross and before Tri-City's match as noted below.

1. **Realignment.** The estimated \$4.4 million is based on the most current information obtained from the California Behavioral Health Directors Association's (CBHDA) analysis of the state budget. Realignment funding in Fiscal 2023-24 collections are still expected to be in line with what was collected by Tri-City in 2022-23 and Tri-City is budgeting realignment revenue up to the minimum baseline plus anticipated growth for a total of \$4.4 million.

Tri-City's Realignment funds come from dedicated State taxes allocated to the State's Mental Health Fund and are considered tax funds that qualify to be used for public expenditures. Therefore, these funds must be used in the provision of Medi-Cal services in order for Tri-City to receive FFP reimbursement, or they must be used to "match" the FFP. Available realignment funds not used as Medi-Cal match can be used to:

- a. Provide mental health services and costs that are not covered by the Medi-Cal program – primarily indigent care;
- b. Cover program costs in excess of revenues
- c. Cover administrative costs not covered by the Medi-Cal program; and
- d. Provide for capital expenditures

The projected Realignment funds received in fiscal year 2023-24 will be used to "match" Medi-Cal costs, cover indigent care and Non-Covered portion of MCE. Realignment funds will also be used to cover any program costs in excess of revenues including administrative, capital and operating expenditures.

2. **Medi-Cal Adult FFP.** Medi-Cal FFP for the adult outpatient program is estimated based on the projected level of service hours to be provided by care providers employed or to be hired by Tri-City. This level of service is measured in units of service which are multiplied by the Fee-For-Service rates, by provider, less Tri-City's match. The related charges/costs are assumed to be covered by Federal reimbursement (FFP) and Realignment. The Federal reimbursement (FFP) will be 50% of the costs/rate to provide services to those individuals that qualify under the original Short-Doyle/MC program. The remaining 50% of the rate will be covered by Realignment. In addition, due to the expanded Medi-Cal program (MCE) under the Affordable Healthcare Act for single adults ages 19 to 64, projected revenues include the FFP reimbursement for the MCE services provided will be reimbursed at the rate of 90% of the costs, thereby replenishing the majority of the upfront realignment used to provide the services. The FFP reimbursement rate under MCE was originally 100% for the first three calendar years (2014 thru 2016), 95% as of January 1, 2017, 94% as of January 1, 2018, 93% as of January 1, 2019, and finally the reimbursement was reduced to 90% beginning January 1, 2020. Additionally, as previously noted, starting January 1, 2020, a new California law will provide full scope Medi-Cal to young adults under the age of 26 regardless of immigration status.

3. **Medi-Cal Children FFP.** Medi-Cal FFP for the children outpatient programs is estimated based on the projected level of service hours to be provided by care providers employed or to be hired by Tri-City. This level of service is measured in units of service which are multiplied by the Fee-For-Service rates, by provider, less Tri-City's match. The related charges/costs are assumed to be covered by Federal (FFP) and State (EPSDT/SMHF) reimbursement. The Federal reimbursement (FFP) rate is currently at 50% of the costs/rates, and the other 50% is projected to be covered by EPSDT State Mental Health Funds as noted below.
4. **Medi-Cal Children EPSDT – State.** Based on the State budget and the analysis of CBHDA it is projected that the EPSDT allocation rates from the State for fiscal year 2023-24 will range from 43% to 50% of the new reimbursement rate.
5. **Medicare.** This represents the expected reimbursement for mental health services provided to consumers that qualify under Medicare. The projected amount is based on prior experience and amounts collected in prior years.
6. **City Share.** This funding is based on the "Local Realignment Maintenance of Effort Funds (SB681)" required for Tri-City to receive realignment. The projected city shares are based on amounts received in prior years as well as the minimum required for realignment purposes.
7. **Grants.** These funds represent expected amounts to be received for various grant programs as previously described, which may be one-time, limited term grants or on-going programs.
8. **Interest Income.** These funds represent interest earned on cash invested in the Local Agency Investment Fund ("LAIF"), as well as other interest bearing operating bank accounts. The amount budgeted for interest income for FY 2023-23 is based on the projected interest from current clinic operation cash balances and based on past experience and projected current rates.
9. **Medi-Cal Denials/Disallowances:** This allowance represents a conservative 10% reserve for disallowances of FFP and State EPSDT Medi-Cal claims billed.

OPERATING EXPENSES

1. **Salary Costs.** Salary costs of \$10.4 million include salaries and wages of \$7.6 million and employee benefits of \$2.8 million. These salaries and benefits include \$7.9 million of clinical and direct staff, \$1.7 million of administrative personnel, and \$775 thousand for grant funded programs. The costs were based on the Agency's actual current employee roster (as of February 2023) plus any vacant or new positions projected for fiscal year 2023-24. Clinical staff salaries are budgeted to increase from the projected actuals from fiscal 2022-23 due to expected filling of several positions that were vacant during the year and increases that are projected to result from the comprehensive classification and compensation study currently being conducted, however not yet completed.

Salaries and benefits associated with Tri-City's Executive team, Senior Management team, and administrative staff who serve the entire Agency, are allocated to TCMH and MHSA at

the rate of 31% and 69%, respectively. This allocation of costs for these staff, are reflective of the staffing proportions of the Agency.

Employee benefits, including insurance, retirement, and payroll taxes are based on the historical cost as a relationship to base salary and wages. The average percentage of employee benefits agency wide is estimated at approximately 36.17%.

2. **Facility Costs.** Facility costs for the 2023-24 Budget include the costs of maintaining Tri-City's adult outpatient clinic operations at 2008 N. Garey Avenue, the rent and related costs for the children's outpatient clinic operations at 1900 Royalty Street, and allocation of the rent and maintenance costs associated with the administrative offices in Claremont. The intercompany facility charges and income reflected under the Adult O/P program relates to costs of the 2008 N. Garey building that will be allocated to MHSA operations also located at the facility (primarily staffing for FSP Adult and FSP Older Adults). The amounts charged to the MHSA programs are consistent with the prior year and are based on actual costs and allocated by square foot.

The costs for storage leases include the rental of space for archiving documents that are legally required to be retained, and are primarily fixed costs with minor increases to rates. Storage costs that do fluctuate are associated with the storage of medical records and will fluctuate based on usage/access of these documents.

3. **Equipment Costs.** This amount reflects the anticipated equipment costs, such as equipment rentals, leases, repairs, non-capital equipment and furniture purchases, desk phones and maintenance fees.
4. **Other Service and Supply Costs.** Other service and supply costs are projected based on actual costs incurred in FY 2022-23 and adjusted for inflation and for specific known increases or decreases. The most significant of these costs are explained as follows:
 - a. Conference, Seminars & Related Costs. These budgeted costs reflect the Agency's commitment to keep staff up-to-date on all new regulations under the Affordable Care Act, expanded Medi-Cal, new billing requirements and the related client outcome and meaningful use programs. As such it is important that staff continue to attend conferences and seminars.
 - b. Professional Liability Insurance. These costs represent necessary insurance for general claims, if any, against Tri-City and other insurance coverages.
 - c. Security Expense. These budgeted costs include the cost of having security guards at several Tri-City locations and are projected based on past experience.
 - d. Client Costs. These costs represent varying miscellaneous costs used to support clients during their care.
 - e. Office Supplies, Other Supplies and Telephone Costs. These costs are projected based on Tri-City's historical percentage relationship of costs as a percent of salary cost.
 - f. Dues and Subscriptions. These costs include dues for industry associations, dues and renewals for professional licenses and dues for computer program support.

TCMH – Historical Outpatient Clinical Operations
Operating and Cash Flow Budget For The Fiscal Year 2023-24
Assumptions

- g. Lab and Med Costs. These projected costs relate directly to the implementation of meaningful use outcomes which include monitoring of physical systems as well as mental diagnosis.
 - h. Data Processing/Licenses. These budgeted costs include costs for required licensing and continued support for data base programs.
5. **Specific Costs**. These costs are mostly comprised of costs identified solely as administrative in nature, with the exception of client support expenses described below.
- a. Directors and Officers Insurance. These administrative insurance costs are allocated between the Clinic and MHSA operations.
 - b. Professional Services. These costs include various professional services including media and communication costs and other costs anticipated for special projects including the continued implementation of a new electronic health record system. This amount also includes a general allowance for unforeseen professional services. During fiscal 2022-23 some one-time costs for professional services were budgeted but were not incurred. Some of these costs are re-budgeted for fiscal 2023-24.

Professional Services costs generally vary from year to year and although the budgeted 2023-24 amount shows an increase from the amount budgeted in 2022-23, it is in line with prior years' budgeted amounts. Additionally, this budget also allows for unexpected services to be required.

- c. Attorney Fees. These costs include the legal fees expected to be incurred for services to be provided by the General Counsel for normal operating items as well as miscellaneous legal fees in connection with human resources/employment matters. The amount budgeted for 2023-24 is in line with prior years' budgeted amounts for legal fees and considered prudent to allow for unexpected matters should they arise.
- d. Audit Fees. These costs represent the fees incurred for the outside independent auditor, which are allocated between Clinic Operations and MHSA operations.

BUDGETED CASH FLOW

GENERAL

The budgeted cash flow for Tri-City's clinical operations for fiscal 2023-24 reflects a net increase to cash of approximately \$673 thousand, thereby estimating a cash balance of approximately \$8.6 million at June 30, 2024. The primary reason for the expected net increase to cash is the projected collection of outstanding receivables due from LADMH which also includes collection of prior years' receivables and as a result of operations from the clinic. The detail of the cash flow activity is described below.

CASH FLOWS FROM OPERATING ACTIVITIES

There are three major components to cash flows from operating activities:

1. Cash received from and on behalf of patients includes the following:
 - a. Expected receipts of Medi-Cal FFP and Medi-Cal EPSDT/SMHF for the budgeted fiscal period 2023-24 includes reimbursement received for current year services as well as collection of prior years' FFP and EPSDT. The receipts budgeted for claims relating to fiscal year 2023-24 services are anticipated to be received approximately 60 to 120 days after submission of claims due to the time it takes LAC DMH and State DMH to process and pay the claims including delays anticipated as a result of the implementation of CalAIM which will be effective as of July 1, 2023. Amounts associated with Medi-Cal audit and cost report settlements are also included. These audits or settlements are now only taking between 18 to 24 months and most recently they have been caught up noting that through the end of fiscal 2022-23, the only outstanding Medi-Cal audit or settlements were for fiscal years 2020-21 and 2021-22. One of the resulting benefits of CalAIM's payment reform will include the elimination of the cost report process going forward.
 - b. Collection of receipts for billed services within the last quarter of the current fiscal year, 2022-23.
 - c. Other collections, including patient fees, client rental payments, and any grant funds.
2. Cash payments to suppliers and contractors.

3. Payments to or on behalf of employees. This amount includes the gross salaries plus benefits for both active employees and projected but presently vacant positions.

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

There are two major components to cash flows from noncapital financing activities:

1. Realignment. As previously discussed Realignment funds are projected based on prior year receipts, and on information obtained from State Budget Projections.
2. Contribution from member cities.

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

This section reflects TCMH's projected capital needs for fiscal year 2023-24 including potential investments to the facility located at 2008 N. Garey Avenue and leasehold improvements at the Royalty suites as well as projected furniture and equipment needs. The projected purchases include the following:

1. The amount of \$68 thousand is being budgeted this year for building and leasehold improvements. This amount represents the projected cost for expected and unexpected improvements that may be required at the 2008 Garey site as well as any necessary leasehold improvements to the Royalty suites occupied by the Children and Family programs. These costs include the projected costs of replacing air conditioning units, anticipated improvement to lighting fixtures, as well as other necessary improvements to accommodate additional space for employees as deemed necessary throughout the year.
2. The amount of \$20 thousand is being budgeted for office furniture, and equipment and include estimated for costs related to replacement of miscellaneous equipment, furniture as needed throughout the year.
3. Approximately \$120 thousand has been projected for the replacement and improvement of hardware and software during fiscal 2023-24. However the majority of anticipated costs are included in the operating budget for non-capitalized items under the capital Computer Systems & Software. This includes continual improvement or scheduled replacement of servers, renewal of software licenses, replacement of aged computers and replacement and improvement of various information technology related equipment.

CASH FLOW FROM INVESTING ACTIVITIES

This section reflects TCMH's projected interest income from the cash deposited in Tri-City's current investment portfolio.

**TRI-CITY MENTAL HEALTH AUTHORITY
CLINIC OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				BUDGET	% to	PROJECTED	% to	\$\$\$
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	Rev	FY 2022-23	Rev	Variance
REVENUE									
MEDI-CAL ADULT FFP	\$ 466,714	\$ 466,714	\$ 466,714	\$ 466,714	\$ 1,866,856	21.2%	\$ 1,694,736	19.2%	\$ 172,120
MEDI-CAL CHILDREN FFP	318,956	318,956	318,956	318,956	1,275,822	14.5%	1,088,067	12.3%	187,755
MEDI-CAL CHILDREN EPSDT --STATE	-	-	-	-	-	0.0%	685,319	7.8%	(685,319)
REALIGNMENT	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000	50.0%	4,443,190	50.3%	(43,190)
MEDICARE	1,250	1,250	1,250	1,250	5,000	0.1%	5,000	0.1%	-
PATIENT FEES/INSURANCE	250	250	250	250	1,000	0.0%	1,000	0.0%	-
MHSA FUNDING	-	-	-	-	-	0.0%	-	0.0%	-
CITY SHARE - LA VERNE	-	-	12,000	-	12,000	0.1%	12,000	0.1%	-
CITY SHARE - CLAREMONT	-	-	14,561	-	14,561	0.2%	14,561	0.2%	-
CITY SHARE - POMONA	-	-	43,675	-	43,675	0.5%	43,675	0.5%	-
GRANTS	259,065	259,065	259,065	259,065	1,036,261	11.8%	438,934	5.0%	597,327
INTEREST INCOME	32,625	32,625	32,625	32,625	130,500	1.5%	76,489	0.9%	54,011
RENTAL AND OTHER INCOME	3,047	3,047	3,047	3,047	12,188	0.1%	6,505	0.1%	5,683
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%	320,063	3.6%	(320,063)
TOTAL REVENUES	2,181,907	2,181,907	2,252,143	2,181,907	8,797,863	100.0%	8,829,539	100.0%	(31,676)
EXPENSES									
SALARY COSTS	1,906,025	1,906,025	1,906,025	1,906,025	7,624,100	86.7%	6,088,658	69.0%	1,535,442
INSURANCE-Health/workers comp/life	299,547	299,547	299,547	299,547	1,198,189	13.6%	767,851	8.7%	430,338
RETIREMENT COSTS	310,602	310,602	310,602	310,602	1,242,409	14.1%	751,052	8.5%	491,357
PAYROLL TAXES	45,708	45,708	45,708	45,708	182,832	2.1%	113,082	1.3%	69,750
MISC COSTS	44,726	44,726	44,726	44,726	178,903	2.0%	123,275	1.4%	55,628
FACILITY COSTS	2,606,608	2,606,608	2,606,608	2,606,608	10,426,433	118.5%	7,843,918	88.8%	2,582,515
STORAGE LEASES	8,208	8,208	8,208	8,208	32,831	0.4%	31,875	0.4%	956
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%	-	0.0%	-
FACILITY RENT	25,478	25,478	25,478	25,478	101,913	1.2%	98,944	1.1%	2,969
INTERCOMPANY FACILITY CHARGES	(10,977)	(10,977)	(10,977)	(10,977)	(43,907)	-0.5%	(42,628)	-0.5%	(1,279)
UTILITIES	6,429	6,429	6,429	6,429	25,716	0.3%	24,967	0.3%	749
BUILDING REPAIRS AND MAINTENANCE	11,742	11,742	11,742	11,742	46,966	0.5%	45,599	0.5%	1,367
JANITORIAL SERVICES & SUPPLIES	7,491	7,491	7,491	7,491	29,963	0.3%	29,090	0.3%	873
WASTE DISPOSAL	1,124	1,124	1,124	1,124	4,496	0.1%	4,365	0.0%	131
EQUIPMENT COSTS	49,495	49,495	49,495	49,495	197,978	2.3%	192,212	2.2%	5,766
EQUIPMENT RENTAL/LEASE	10,617	10,617	10,617	10,617	42,466	0.5%	41,230	0.5%	1,236
EQUIP MAINT/REPAIRS	1,799	1,799	1,799	1,799	7,196	0.1%	6,986	0.1%	210
EQUIP/FURNITURE PURCHASES EXPENSED	2,591	2,591	2,591	2,591	10,362	0.1%	12,326	0.1%	(1,964)
AUTO EXPENSES	154	154	154	154	615	0.0%	657	0.0%	(42)
AUTO INSURANCE	1,796	1,796	1,796	1,796	7,185	0.1%	9,528	0.1%	(2,343)
CELLULAR/PAGER LEASES	13,113	13,113	13,113	13,113	52,453	0.6%	53,177	0.6%	(724)
TOTAL EXPENSES	30,069	30,069	30,069	30,069	120,277	1.4%	123,904	1.4%	(3,627)

**TRI-CITY MENTAL HEALTH AUTHORITY
CLINIC OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				BUDGET FY 2023-24	% to Rev	PROJECTED FY 2022-23 (Note)	% to Rev	\$\$ Variance
	1ST QRT	2ND QRT	3RD QRT	4TH QRT					
OTHER SERVICES AND SUPPLIES	1,172	1,172	1,172	1,172	4,689	0.1%	5,246	0.1%	(557)
CONFERENCES, SEMINARS & RELATED COSTS	167	167	167	167	668	0.0%	649	0.0%	19
MILEAGE REIMBURSEMENT	7,379	7,379	7,379	7,379	29,516	0.3%	31,442	0.4%	(1,926)
PERSONNEL ADS	28,183	28,183	28,183	28,183	112,731	1.3%	316,567	3.6%	(203,836)
PROFESSIONAL LIABILITY INSURANCE	38,846	38,846	38,846	38,846	155,384	1.8%	150,859	1.7%	4,525
SECURITY EXPENSE	5,195	5,195	5,195	5,195	20,781	0.2%	20,175	0.2%	606
DUES & SUBSCRIPTIONS	3,818	3,818	3,818	3,818	15,271	0.2%	15,011	0.2%	260
OTHER SUPPLIES	694	694	694	694	2,777	0.0%	2,801	0.0%	(24)
PRINTING	571	571	571	571	2,284	0.0%	84,802	1.0%	(82,518)
CLIENT EXPENSES	1,520	1,520	1,520	1,520	6,081	0.1%	5,904	0.1%	177
LAB/IMED COST	1,355	1,355	1,355	1,355	5,419	0.1%	5,261	0.1%	158
AMBULANCE COSTS	2,595	2,595	2,595	2,595	10,381	0.1%	10,697	0.1%	(316)
OFFICE SUPPLIES	319	319	319	319	1,276	0.0%	1,239	0.0%	37
POSTAGE	1,608	1,608	1,608	1,608	6,433	0.1%	6,245	0.1%	188
RECORD DESTRUCTION	33,231	33,231	33,231	33,231	132,924	1.5%	129,053	1.5%	3,871
TELEPHONE EXPENSES	24,138	24,138	24,138	24,138	96,553	1.1%	96,409	1.1%	144
COMPUTER SYSTEMS & SOFTWARE	20,010	20,010	20,010	20,010	80,041	0.9%	77,710	0.9%	2,331
DATA PROCESSING/LICENSES	3,466	3,466	3,466	3,466	13,865	0.2%	(135,195)	-1.5%	149,060
MISCELLANEOUS	174,269	174,269	174,269	174,269	697,074	7.9%	824,875	9.3%	(127,801)
SPECIFIC COSTS									
PROGRAMS:									
CLIENT SUPPORT COSTS	-	-	-	-	-	0.0%	-	0.0%	-
UNIQUE MHSA PROGRAM RELATED COSTS	-	-	-	-	-	0.0%	-	0.0%	-
WET--LEARNING & OUTREACH	-	-	-	-	-	0.0%	-	0.0%	-
PROFESSIONAL SERVICES	9,926	9,926	9,926	9,926	39,704	0.0%	4,999	0.1%	34,705
ADMINISTRATIVE:									
DIRECTORS & OFFICERS INSURANCE	2,814	2,814	2,814	2,814	11,256	0.1%	10,928	0.1%	328
PROFESSIONAL SERVICES	7,193	7,193	7,193	7,193	28,771	0.3%	12,230	0.1%	16,541
ATTORNEY FEES	18,095	18,095	18,095	18,095	72,381	0.8%	70,272	0.8%	2,109
BANK FEES	1,889	1,889	1,889	1,889	7,555	0.1%	7,335	0.1%	220
AUDIT FEES	4,710	4,710	4,710	4,710	18,841	0.2%	18,292	0.2%	549
DEPRECIATION AND AMORT	44,627	44,627	44,627	44,627	178,508	2.0%	124,056	1.4%	54,452
TOTAL COSTS	70,972	70,972	70,972	70,972	283,888	3.2%	171,248	1.9%	112,640
INCOME (LOSS) FROM OPERATIONS	2,976,040	2,976,040	2,976,040	2,976,040	11,904,158	135.3%	9,280,213	105.1%	2,623,945
	\$ (794,133)	\$ (794,133)	\$ (723,897)	\$ (794,133)	\$ (3,106,295)	-35.3%	\$ (450,674)	-5.1%	\$ (2,655,621)

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on nine months results through March 31, 2023. Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

**TRI-CITY MENTAL HEALTH AUTHORITY
CLINIC CONSOLIDATING OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	CHILD OP	ADULT OP	GRANTS	ADMIN	TOTAL
REVENUE					
MEDI-CAL ADULT FFP	-	\$ 1,866,856	\$ -	-	\$ 1,866,856
MEDI-CAL CHILDREN FFP	1,275,822	-	-	-	1,275,822
MEDI-CAL - STATE	-	-	-	-	-
REALIGNMENT	528,000	2,992,000	-	880,000	4,400,000
MEDICARE	-	5,000	-	-	5,000
PATIENT FEES/INSURANCE	-	1,000	-	-	1,000
MHSA FUNDING	-	-	-	-	-
CITY SHARE - LA VERNE	-	12,000	-	-	12,000
CITY SHARE - CLAREMONT	-	14,561	-	-	14,561
CITY SHARE - POMONA	-	43,675	-	-	43,675
GRANTS	20,000	-	1,016,261	-	1,036,261
INTEREST INCOME	-	-	-	130,500	130,500
RENTAL AND OTHER INCOME	100	1,000	-	11,088	12,188
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-
TOTAL REVENUES	1,823,922	4,936,092	1,016,261	1,021,588	8,797,863
EXPENSES					
SALARY COSTS					
FTE's	19.9	43.5	8.0	11.8	83.2
SALARY AND WAGES	1,720,957	4,094,796	571,595	1,236,752	7,624,100
INSURANCE-Health/workers comp/life	273,416	642,799	87,026	194,948	1,198,189
RETIREMENT COSTS	282,550	678,151	89,844	191,864	1,242,409
PAYROLL TAXES	41,731	98,232	13,672	29,197	182,832
MISC COSTS	40,682	96,115	13,226	28,880	178,903
	2,359,336	5,610,093	775,363	1,681,641	10,426,433
FACILITY COSTS					
STORAGE LEASES	7,725	17,864	-	7,242	32,831
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-
FACILITY RENT	37,892	9,995	-	54,026	101,913
INTERCOMPANY FACILITY CHARGES	-	(43,907)	-	-	(43,907)
UTILITIES	-	25,039	-	677	25,716
BUILDING REPAIRS AND MAINTENANCE	5,585	39,331	-	2,050	46,966
JANITORIAL SERVICES & SUPPLIES	8,161	16,985	-	4,817	29,963
WASTE DISPOSAL	1,891	2,564	-	41	4,496
	61,254	67,871	-	68,853	197,978
EQUIPMENT COSTS					
EQUIPMENT RENTAL/LEASE	8,924	25,274	-	8,268	42,466
EQUIP MAINT/REPAIRS	1,678	4,150	-	1,368	7,196
EQUIP/FURNITURE PURCHASES EXPENSED	770	7,616	-	1,976	10,362
AUTO EXPENSES	1,286	(1,132)	-	461	615
AUTO INSURANCE	2,934	2,471	-	1,780	7,185
CELLULAR/PAGER LEASES	11,558	28,333	-	12,562	52,453
	27,150	66,712	-	26,415	120,277

**TRI-CITY MENTAL HEALTH AUTHORITY
CLINIC CONSOLIDATING OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	CHILD OP	ADULT OP	GRANTS	ADMIN	TOTAL
OTHER SERVICES AND SUPPLIES	392	1,189	-	3,108	4,689
CONFERENCES, SEMINARS & RELATED COSTS	355	246	-	67	668
MILEAGE REIMBURSEMENT	898	25,345	-	3,273	29,516
PERSONNEL ADS	25,327	66,788	-	20,616	112,731
PROFESSIONAL LIABILITY INSURANCE	19,229	120,804	-	15,351	155,384
SECURITY EXPENSE	366	332	-	20,083	20,781
DUES & SUBSCRIPTIONS	1,557	11,456	-	2,258	15,271
OTHER SUPPLIES	355	1,885	-	537	2,777
PRINTING	366	1,918	-	-	2,284
CLIENT EXPENSES	416	5,665	-	-	6,081
LAB/MED COST	-	5,419	-	-	5,419
AMBULANCE COSTS	1,966	5,626	-	2,789	10,381
OFFICE SUPPLIES	-	-	-	1,276	1,276
POSTAGE	1,942	4,491	-	-	6,433
RECORD DESTRUCTION	27,130	68,996	-	36,798	132,924
TELEPHONE EXPENSES	9,187	20,795	-	66,571	96,553
COMPUTER SYSTEMS & SOFTWARE	23,042	53,830	-	3,169	80,041
DATA PROCESSING/LICENSES	240	1,504	-	12,121	13,865
MISCELLANEOUS	112,768	396,289	-	188,017	697,074
SPECIFIC COSTS					
PROGRAMS:					
CLIENT SUPPORT COSTS	-	-	-	-	-
UNIQUE MHSA PROGRAM RELATED COSTS	-	-	-	-	-
COMMUNITY GRANTS	-	-	-	-	-
GRANTS	-	-	-	-	-
WET--LEARNING & OUTREACH	-	-	-	-	-
PROFESSIONAL SERVICES	-	172	39,532	-	39,704
ADMINISTRATIVE:					
DIRECTORS & OFFICERS INSURANCE	-	-	-	11,256	11,256
PROFESSIONAL SERVICES	-	-	-	28,771	28,771
ATTORNEY FEES	-	2,972	-	69,409	72,381
BANK FEES	-	-	-	7,555	7,555
AUDIT FEES	-	-	-	18,841	18,841
DEPRECIATION AND AMORT	-	3,144	39,532	135,832	178,508
ALLOCATION OF ADMINISTRATIVE COSTS (15% OF DIRECT COSTS)	117,575	100,538	2,855	62,920	283,888
	401,712	936,697	122,663	(1,461,072)	-
TOTAL COSTS	3,079,795	7,181,344	940,413	702,606	11,904,158
INCOME (LOSS) FROM OPERATIONS	\$ (1,255,873)	\$ (2,245,252)	\$ 75,849	\$ 318,982	\$ (3,106,295)

**TRI-CITY MENTAL HEALTH AUTHORITY
CLINIC CASH FLOW BUDGET
FISCAL YEAR 2023-24**

	FY 2023-24 QUARTERS				BUDGET FY 2023-24
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM AND ON BEHALF OF PATIENTS	\$ 747,886	\$ 1,859,087	\$ 1,746,994	\$ 2,454,334	\$ 6,808,301
CASH PAYMENTS TO SUPPLIERS AND CONTRACTORS	(298,459)	(298,459)	(298,459)	(298,459)	(1,193,837)
PAYMENTS TO OR ON BEHALF OF EMPLOYEES	(2,606,608)	(2,606,608)	(2,606,608)	(2,606,608)	(10,426,433)
NET CASH USED BY OPERATING ACTIVITIES	(2,157,181)	(1,045,980)	(1,158,073)	(450,733)	(4,811,969)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
REALIGNMENT	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000
CONTRIBUTIONS FROM MEMBER CITIES	-	-	70,236	-	70,236
GRANTS	259,065	259,065	259,065	259,065	1,036,261
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,359,065	1,359,065	1,429,301	1,359,065	5,506,497
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PURCHASE OF CAPITAL ASSETS:					
BUILDING AND IMPROVEMENTS	(17,000)	(17,000)	(17,000)	(17,000)	(68,000)
OFFICE FURNITURE, EQUIPMENT & VEHICLES	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)
IT EQUIPMENT, HARDWARE AND SOFTWARE LICENSES	(30,000)	(30,000)	(30,000)	(30,000)	(120,000)
PRINCIPAL PAYMENTS ON CAPITAL DEBT	-	-	-	-	-
INTEREST PAID ON CAPITAL DEBT	-	-	-	-	-
RECEIPT/PAYMENT OF INTERCOMPANY ADVANCES BETWEEN OPERATION	10,977	10,977	10,977	10,977	43,907
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(41,023)	(41,023)	(41,023)	(41,023)	(164,093)
CASH FLOW FROM INVESTING ACTIVITIES					
INTEREST RECEIVED	32,625	32,625	32,625	32,625	130,500
OTHER INCOME RECEIVED	3,047	3,047	3,047	3,047	12,188
NET CASH PROVIDED BY INVESTING ACTIVITIES	35,672	35,672	35,672	35,672	142,688
NET CHANGE IN CASH	(803,467)	307,734	265,877	902,981	673,123
CASH BEGINNING BALANCE (Projected)	8,887,687	8,084,220	8,391,953	8,657,830	8,887,687
CASH ENDING BALANCE	\$ 8,084,220	\$ 8,391,953	\$ 8,657,830	\$ 9,560,810	\$ 9,560,810

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA – MENTAL HEALTH SERVICES ACT PROGRAM OPERATIONS
PROPOSED
OPERATING BUDGET AND CASH FLOW BUDGET
FISCAL YEAR 2023-24

MHSA – MENTAL HEALTH SERVICES ACT PROGRAMS

BUDGETED OPERATING INCOME

GENERAL INFORMATION

The Mental Health Services Act (“MHSA”) budget includes the projected funding and operating costs of the approved MHSA Plans including the Community Services and Supports (“CSS”) programs, the Prevention and Early Intervention (“PEI”) programs, the Innovations (“INN”) programs, the Workforce, Education & Training (WET) programs and the Capital Facilities and Technology Needs projects (CFTN). Tri-City receives its share of MHSA funding directly from the State, which is then required to be allocated to three plans: 5% to the INN Plan; and then the remainder to the CSS Plan (80% or 76% of the total allocation) and the PEI Plan (20% or 19% of the total allocation).

Revenues within the MHSA plans include MHSA funding and Medi-Cal cost reimbursement from FFP and State EPSDT. These revenues were projected based on Tri-City’s approved MHSA Plans and reflect the estimated budgets included in the respective plans and updates.

Total budgeted costs for MHSA programs of \$25.5 million reflect an increase of approximately \$3.6 million when compared to the prior year’s budget of \$21.9 million. However, the projected final costs of \$18.9 million for fiscal 2022-23 when compared to the fiscal 2023-24 budget, the increase is approximately \$6.6 million, which is primarily the result of increased salaries and benefits and assumes that programs will be fully staffed. For fiscal 2023-24, the salaries and benefits associated with Tri-City’s Executive team, Senior Management team, and administrative staff who serve the entire Agency, are anticipated to spend approximately 62% of their time on MHSA programs. This budget includes a total of 37.9 FTEs of allocated time for these staff which have been allocated to reflect the staffing proportions of the Agency.

The program descriptions for each of the five plans included herein are discussed below:

COMMUNITY SERVICES AND SUPPORTS PLAN

This plan includes the following programs:

1. **Full Service Partnerships (FSP).** This program represents individualized services and supports that are required to assist person(s)/family(s) in achieving the goals identified in their wellness/recovery plan. Full Service Partnership (FSPs) are for people who are experiencing severe mental illness and are homeless or at risk of homelessness or other devastating consequences. Based on past experience and current data, the number of anticipated FSP clients to be served (active clients at any given time) during fiscal 2022-23 is broken into four age groups.
 - a. Children ages 0-15
 - b. Transitional Age Youth (TAY) ages 16-25
 - c. Adult ages 26-59
 - d. Older Adult ages 60 and over

The operation of the FSP program has been in full swing since 2009-10. As a result of the level of required services, approximately 21 vacant FSP dedicated personnel positions are

currently budgeted to include Therapists, Psychiatrists, Psychiatric Technicians, program support and Clinical Wellness Advocates.

The Clinical Wellness Advocates mentioned above were new positions approved in fiscal 2016-17 whose role has been to provide advocacy, guidance, feedback, outreach and support to help clients and families access and work more effectively with the systems involved, and to build on the continuity of care for those clients receiving formal treatment services.

This budget reflects the direct costs of approximately \$9.2 million incurred by Tri-City to provide FSP services to all FSP clients. These services are reflected in the natural expense classifications. The majority of Tri-City's FSP costs consist of salaries and benefits of approximately \$7.8 million (63.0 FTEs), projected client support costs (FLEX funds) of approximately \$446 thousand.

2. **Access to Care.** Access to Care (ATC) is a clinical adjunct service that acts as a gateway to the intake process for Tri-City's outpatient clinics. Individuals interested in Tri-City services can access care either by calling, walk-in or via referral. A mental health professional assesses the individual seeking services and recommends the most appropriate level of care and services.
3. **Community Navigators.** The Community Navigators program includes a team of 9 individuals that develop relationships with all manner of organizations and social service agencies throughout the three cities' region. The goal is to assist individuals who need services to help them quickly identify currently available services and/or refer them to the Tri-City system of care.
4. **Wellness Center.** The Wellness Center facility was completed and opened at the beginning of November 2011. The Wellness Center was conceived as a place of support for people who struggle with mental health issues so that they could accelerate their movement toward independence, recovery and wellness. The Wellness Center provides self-help groups, peer and family support services, educational and employment resources, recreational and cultural activities, assessment and linkage services and provides programs as an adjunct and/or stepdown from formal treatment services. Virtual meetings are currently being held and expect to grow and management is continually considering adding new group programs to assist the community. As a result of the continued needs of the community, the FTEs included in this budget include 13.5 FTEs for fiscal 2023-24.
5. **Supplemental Crisis Services.** This program provides crisis response services in three distinct ways which includes the after-hour crisis support, walk-in crisis services, and field based intensive outreach and engagement services for those who are not currently enrolled as Tri-City clients. The Supplemental Crisis Services System provides clinical support for the person in crisis, their family members, police, and/or others present. All of these services work collaboratively with the "Access to Care" team and the Community Navigator Programs to improve the likelihood that persons in crisis will be enrolled for ongoing treatment services. This budget includes both crisis services and the provision of ambulance services. This program includes a budget for clinicians to work after-hours and during the weekend, with the total hours available equaling up to 7.1 FTEs.

6. **Field Capable Clinical Services for Older Adults.** This program involves clinicians spending time engaging with seniors who have serious mental health issues, either in their home, in senior centers, or other locations where seniors are present, to provide clinical services and connectivity to other providers of senior services in the Tri-City area. The budget includes 1.0 FTE of clinical employees for outreach and engagement of seniors in the area as well as to train new and existing staff on specialized mental health needs of older adults.
7. **CSS Permanent Supportive Housing.** This program is designed to help people with mental illness maintain their current housing or find a more appropriate place of residence. This program was established through the CSS Housing Plan approved by the Governing Board in fiscal 2011-12. The costs included in this budget reflect salary costs and professional fees anticipated to continue to support the various housing CalHFA projects, in addition to the continued costs associated with maintaining properties owned by Tri-City, which provide housing. The rental income reflected on the CSS Housing budget reflects the anticipated rents from these housing projects.

Tri-City Mental Health Authority (Tri-City), its MHSA Stakeholders, and its Mental Health Commission recommended that Tri-City's Governing Board approve a transfer of \$1.2 million in unspent Community Services and Supports (CSS) funds to the Permanent Supportive Housing Program. In January of 2017 the Governing Board approved this transfer of \$1.2 million of CSS dollars to CSS Housing. The purpose of this transfer of funds was to allow Tri-City to be proactive and responsive to potential housing project needs and the pending implementation of the 'No Place Like Home' (NPLH) program which was originally scheduled to begin in July of 2017. Additionally, in April of 2019, another \$1.6 million of CSS dollars was also recommended for transfer to the Permanent Supportive Housing Program which was presented to the Governing Board and was approved at the May 2019 Governing Board meeting. In Fiscal Year 2020-21 the total of \$2.8 million in designated housing funds was expended for the West Mission Housing Project.

8. **Administrative CSS Costs.** These costs include the administrative functions required to oversee the various programs included in the CSS plan and includes salary costs, professional fees, attorney fees, information system costs, equipment costs, and supply costs. Personnel costs include 20.7 FTEs of various personnel who indirectly work on CSS programs which includes allocated time of Executive/Senior Management, as well as data collection, billing and accounting personnel.

PREVENTION AND EARLY INTERVENTION PLAN

1. **Community Capacity Building.** This project supports under-served cultural communities and individuals across the three cities through three main projects:
 - a. Community Wellbeing
 - b. Community Mental Health Trainers
 - c. Stigma Reduction and Suicide Prevention

The *Community Wellbeing* project supports initiatives for unserved and under-served communities to promote the wellbeing of their members. Over the past twelve years, the

MHSA – Mental Health Services Act Programs
Operating and Cash Flow Budget For The Fiscal Year 2023-24
Assumptions

Agency has granted approximately \$1.5 million in community grants to support local community groups to promote wellbeing of their members and it is projected that an additional \$120 thousand will be granted in fiscal 2023-24. The focus of this program in 2023-24 will continue to be on children and TAY ages 0-25. In line with community capacity building, communities that receive the funds are trained in Results-Based Accountability, which assists communities in identifying the benefits of their efforts.

The *Community Mental Health Training* Project was initially implemented in fiscal 2010-2011 and in its first two years certified over 70 Mental Health First Aid instructors (MHFA). Over the course of seven years, almost 4,000 individuals had been trained across the three cities who are prepared to offer support to anyone they encounter who is experiencing mental or emotional distress. Although Mental Health First Aid was considered a highly successful program since its inception, a steady decline in the number of trainings requested was noted over a few years and therefore the full-time trainers were eventually eliminated in fiscal 2017-18. Since then, Tri-City has continued to provide trainings conducted by existing staff, even adding new trainings. Tri-City has expanded the program to include additional trainings beyond the core MHFA curriculum, such as workshops on Everyday Mental Health, the Recovery Model, Non-Suicidal Self-Harm and parenting classes. Additionally, in FY 2018-19, Tri-City expanded its training programs with the addition of a new Trauma Training: Adverse Childhood Experiences (ACEs). With the increase in requests for trainings and the expansion of the program, the need for a full-time trainer was supported by the stakeholders.

Tri-City's Stigma Reduction program also known as Room for Everyone began in fiscal 2013-14. Activities offered in this program include stigma reduction efforts, suicide prevention training, a speakers bureau and a community art gallery located at Tri-City's 2001 N. Garey Ave. site.

The total budget for the Community Capacity Building program includes costs of approximately \$500 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$353 thousand for 3.3 FTEs, \$120 thousand in Community grants, approximately \$6 thousand for facility and equipment costs and approximately \$47 thousand on various services and supplies.

2. **Older Adult Wellbeing.** This project focuses on older adults, and in particular, the disparities in access to mental health services experienced by older adults, as well as the high risk of suicide for this age group. This program includes two main projects:
 - a. Peer Mentoring, *and*
 - b. Specialty Groups/Programming Offered at the Wellness Center

The *Peer Mentoring* Project, a prevention and early intervention program, provides peer counseling and peer support groups for older adults from unserved and under-served communities through the engagement of partners in the communities across the three cities to identify older adults who could benefit from these programs. The Peer Mentor Program provides free services to individuals, who may not be ready to receive mental health services, do not meet criteria for normal services or are transitioning out of formal services. This project trains volunteers from the Tri-City area who want to learn how to provide support to peers who are in emotional distress. Once trained, peer mentors can offer both

individual and group mentoring, and additional support through linkages to age and culturally-appropriate resources.

This budget includes costs of approximately \$160 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$155 thousand for 1.3 FTE. The remaining costs include supplies, equipment costs, training and other miscellaneous expenses.

3. **TAY-Adult Wellbeing.** This project focuses on transitional-aged young adults, including young adults from under-served cultural populations, young adults at risk of serious psychiatric illness, young adults exposed to trauma, young adults in stressed families, and others. This program includes two projects:
 - a. Peer Mentoring, *and*
 - b. Specialty Groups/Programming Offered at the Wellness Center

The Peer Mentors Support Program provides peer counseling and peer support groups for transitional-aged young adults from unserved and under-served communities through the engagement of partners in the communities across the three cities to identify young adults who could benefit from the programs under this project. The Peer Mentor Program provides free services to individuals, who may not be ready to receive mental health services, do not meet criteria for normal services or are transitioning out of formal services. The Peer Mentoring Program also trains volunteers from the Tri-City area who want to learn how to provide support to peers who are in emotional distress. Once trained, peer mentors can offer both individual and group mentoring, and additional support through linkages to age and culturally-appropriate resources.

This budget includes costs of approximately \$172 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$155 thousand for 1.3 FTE. The remaining costs include training and other miscellaneous expenses.

4. **Family Wellbeing.** This project focuses on family members and caregivers, particularly of young children, as a way of providing support to children and youth in stressed families, including family members from unserved and under-served cultural populations. The Family Wellbeing Project is building trusting relationships and provides supports to family members and caregivers of people who participate in the Wellness Center, the Peer Support Programs, and other PEI programs. Families who need these supports will be identified through the engagement of partners in the communities across the three cities including schools, colleges, health clinics, and other primary care providers and organizations.

This budget includes costs of approximately \$130 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$128 thousand for 1.0 FTE. The remaining costs include other miscellaneous expenses.

5. **School Based Services.** School-Based Services (SBS), provides services to students directly on local school campuses during school hours. Tri-City provides services to students attending schools whose districts are within its jurisdiction including Bonita Unified School District, Claremont Unified School District and Pomona Unified School District.

6. **NAMI.** This program was originally approved in fiscal 2010-11 in Tri-City's MHSA 2011-12 Annual Update. In FY 2011-12, NAMI Pomona Valley entered into a partnership under Tri-City's PEI plan to provide training in schools located in the cities of Claremont, La Verne and Pomona. The original program budget provided funding to NAMI Pomona Valley to support their community capacity building programs with the "Inter-Faith Collaboration on Mental Illness" and "Parents and Teachers as Allies" communities. In July 2019, Parents and Teachers as Allies (PTAA) was replaced by a more comprehensive training called Ending the Silence (ETS), which included the same components as PTAA as well as a component dedicated to training students to recognize early warning signs of mental illness. Of these programs, Ending the Silence was the only program that was continued during fiscal 2020-21 by NAMI. In April of 2021, stakeholders unanimously agreed to add NAMI 101 to the existing Ending the Silence program thereby creating two training options for community members. The original funding allocation for ETS of \$35,500 per year will remain the same and NAMI Pomona Valley will now be able to submit invoices for both programs under this revised plan. This program modification was made part of the MHSA Annual Update for FY 2021-22 and was approved by the Governing Board in June 2021. The resulting NAMI budget for fiscal 2023-24 is approximately \$11.8 thousand which includes amounts for professional services for the NAMI programs and related stipends and amounts for miscellaneous expenses for training conferences. As would be expected, the trainings and conferences offered by NAMI Pomona Valley are being provided through video and teleconferencing as a direct result of COVID-19.

7. **Housing Stability (previously Building Bridges between Landlords, Mental health Providers and Clients—AKA Landlords).** This program was approved by the Governing Board in the PEI Update submitted in fiscal 2011-12 to expand and strengthen the system of care towards community wellbeing by focusing on ways that landlords and Tri-City Mental Health Authority can work together to 1) identify mental health needs; and 2) provide assistance in ways that allow Tri-City Mental Health Authority clients to access or maintain their housing arrangement. In addition, due to the recent housing projects that were completed in 2015-16 and completed during 2017-18, major efforts continue to take place to assure that clients in need of housing will be signed up to apply for this housing. This budget includes costs of approximately \$208 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$177 thousand for 1.8 FTEs. The remaining costs include facility costs, equipment costs and other services and supplies.

8. **Therapeutic Community Gardening.** This program was originally approved by the Governing Board in the Annual MHSA 2012-13 Update submitted in fiscal 2011-12. This project seeks to increase access to mental health services and supports for select populations through a community-wide urban farm. The project originally focused on three priority populations who suffer isolation from friends, family and the broader community -- veterans, school-aged children and their families, and youth transitioning out of foster care. During the 2014-15 MHSA update, it was determined that the Therapeutic Community Gardening should be open to all qualifying clients. As a result of the success of this program, more groups have been added over the past several years and therefore, Tri-City had increased the budget for one additional clinical staff. This has remained consistent for fiscal year 2023-24. This budget includes costs of approximately \$547 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$462 thousand for 3.9 FTEs.

9. **Early Psychosis Costs.** In 2018 the Mental Health Service Act was amended to include specific prevention and intervention program priorities and this included the establishment of an Early Psychosis program. This program was established by Tri-City in Fiscal Year 2018-19 which was also recommended as part of the Stakeholder process for the 2018-19 MHSA Plan Update. The purpose of this project was to develop an early psychosis program in order to address the identification and diagnosis of individuals ages 16 to 25, who are suffering from psychosis and are not currently enrolled in mental health services. The original amount of \$240 thousand in funds were designated for a two-year project that utilized one-time PEI dollars on program development and early implementation. As a result of the development of this project, Tri-City identified the PIER (Prevention, Intervention, Enforcement and Reentry) model as the most comprehensive and effective to meet the needs of Tri-City clients and community members. This evidence-based treatment uses three key components – community outreach, assessment, and treatment to reduce symptoms, improved function and decrease relapse. Tri-City staff will focus on hosting early psychosis trainings with the goal of informing community partners of this opportunity and hopefully increasing interest in attendance.

This budget includes total costs of approximately \$144 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$135 thousand for approximately 1.0 FTEs and other anticipated costs associated with developing and implementing the program such as training and professional services.

10. **Administrative PEI Costs.** These costs include the administrative functions required to oversee the various programs included in the PEI plan and includes salary costs, facility costs, attorney fees, and other miscellaneous costs. Personnel costs include 3.7 FTEs for the PEI Coordinator and allocated time of data collection, billing, and accounting personnel and allocated Executive/Senior Management team time.

INNOVATIONS PLAN

The purpose of the Innovation projects is to promote learning through innovative programs and processes in order to increase access to underserved groups and increase the quality of services provided and identifying if better outcomes result. INN projects are three-year projects that may be extended up to 5 years, and are evaluated at the end of the project to determine if the learning from the projects can be implemented into other MHSA programs. In January 2012, the initial Innovation Plan was approved by the Governing Board and included two projects, 1) Modified Cognitive Enhancement Therapy and 2) Integrated Care Project. These two projects were completed in fiscal 2014-15.

In May 2014, the Governing Board approved two additional innovations projects, 1) Cognitive Remediation Therapy and 2) Employment Stability, which have also been completed. The Employment Stability Program was completed during Fiscal Year 2017-18 and the Cognitive Remediation Therapy Program which was completed during Fiscal Year 2018-19.

At the May 2018 MHSA Public Hearing, the Stakeholders and the Mental Health Commission recommended that the Governing Board approve the INN Technology Suite project (now named Help at Hand). This project was approved by the Governing Board at the June 2018 Governing Board meeting and was also subsequently presented to and approved by the Mental Health Oversight and Accountability Commission (OAC) in September of 2018. The Help at Hand (formerly named the Technology Suite) project and the Multi-County Psychiatric Advance Directives (PADs) project are the two approved projects included in this budget.

The current program descriptions are noted as follows:

1. **INN Technology Suite Project.** This project was originally proposed as a three year project (and later extended to a five year project) and the intention of the project is to engage in a joint, multi-county Innovation project which explores the impact and effectiveness of a technology-based mental health approach to providing services. The primary purpose of this project is to increase access to mental health care by providing a non-traditional system for individuals who may be reluctant to access services through a more formal clinical setting. Through the use of computers, tablets and smartphones, community members will be able to access a suite of technology-based mental health services focused on prevention, early intervention, and family and social support with the intent to: decrease emergency care services; reduce psychiatric hospitalizations; and reduce the duration of untreated mental illness. More details are included in the New Innovation Project Proposed document posted on Tri-City's website.

This budget includes projected costs of approximately \$303 thousand. The main components of the budgeted expenses for this program include \$109 thousand in salaries and benefits for staff time of personnel who will be working on implementing the program. In addition, the amount of \$179 thousand is for professional services specifically related to the INN Technology Suite Project and is estimated for it's implementation, and will be paid to a third party via a Participation Agreement with the California Mental Health Services Authority which was authorized at the Governing Board Meeting on November 14, 2018.

2. **Psychiatric Advance Directives (PADs).** This three-year project is a multi-county cloud-based technology platform which operates in real-time, where consumer can create, access, store and share their PAD with their appointed advocate, loved ones, and providers. It is a shared system for Healthcare providers and first responder to allow immediate access to consumer's PAD during crisis.

The project was endorsed by the Tri-City's MHSA Stakeholders and was presented and approved by the Governing Board on April 20, 2022 and later approved by the Mental Health Services Oversight and Accountability Commission (MHSAOAC.)

3. **Administrative INN Costs.** These costs include the administrative functions required to oversee INN programs included in the INN plan and includes salary costs, facility costs, and other miscellaneous costs. Personnel costs of \$74 thousand include .3 FTEs for the allocated time of Management as well as data collection, billing, and accounting personnel, and for costs of staff allocated to work on INN Programs administratively.

WORKFORCE, EDUCATION & TRAINING PLAN

This plan was originally approved in November 2012 and began implementation in the third quarter of fiscal 2012-13. The purpose of the WET programs is to promote learning and staff development as well as to provide a means to educate the community and to develop a base for future employees and volunteers in the provision of community mental health. WET funding is considered one-time funding and, once exhausted, in order to continue programming in the WET Plan, transfers of available funding from the CSS Plan are required. As noted in prior years' budgets, several transfers have been made to continue the programs in WET. The most recent transfer approved was included within the Fiscal Year 2023-24 Annual Update in the total amount of \$2.5 million (\$2.0M to CFTN and \$500K to WET). As these have now been approved, these transfers are now scheduled to take place during Fiscal Year 2023-24.

As with other county mental health agencies, Tri-City was facing a resignation and hiring crisis. To ensure future mental health personnel, Tri-City has identified the need to develop a more effective recruitment and retention strategy. Therefore, during a virtual stakeholders meeting in August 2021, a proposal to amend the MHSA Annual Update FY2021-22 was approved by stakeholders to 1) create two new staff position in WET; Social Media Specialist to enhance Tri-City's web promoting employment, and Diversity Equity and Inclusion Coordinator focus on ensuring an inclusive and equitable presentation within Tri-City's system and 2) to develop a loan repayment program.

Included in the initial WET plan, was the implementation of two projects/programs (that to date have been continued as a result of transfers) and those projects/programs are described as follows:

1. **Learning and Improvement.** This project supports the development and training of current staff to enable better service to Tri-City's clients. This program provides all staff the opportunity to attend a myriad of trainings covering various topics including clinical best practices, HR related issues, facilities, project management, IT, front office, etc. Other specific trainings include online and live classes and seminars presented by Fred Pryor Seminars and Relias Learning. During the last several years, Tri-City brought to the existing workforce specialized trainings on a variety of topics including trauma treatment, motivational interviewing, co-occurring disorders treatment, leadership development and most recently, training on Adverse Childhood Experiences (ACES). These specific types of training will continue in fiscal 2023-24.

This budget includes costs of approximately \$523 thousand. The main components of the budgeted expenses are salaries and benefits of approximately \$292 thousand for 2.8 FTEs, \$115 thousand for conferences and related costs, and \$95 thousand in costs relating to training and the development and/or purchase of educational software. These expenditures will continue to support the Learning and Improvement programs noted above by providing training opportunities to staff on leadership and management, purchase and make online training libraries available, and provide specialized trainings on a variety of topics including how-to engage difficult clients and the Trauma Resiliency Model.

2. **Volunteers & Future Employees.** This project focuses on outreach to the community to educate and train a pool of future employees and volunteers for the provision of community health. The WET Supervisor has in the past recruited approximately 237 volunteers during fiscal years 2013-14 through 2018-19, and approximately 20 volunteers in 2019-20 for

different programs at Tri-City which included students from the local colleges, public high schools, and private high schools and as well as community members within the three cities. During fiscal 2013-14 the WET Supervisor started the WISH program (Working Independence Skills Helping) which trains current and former Tri-City clients on skills to prepare them for formal volunteer work both within and outside the Tri-City system of care. The WET Supervisor has participated in various community outreach events to introduce careers in mental health. There are a number of volunteers on a waiting list at Tri-City to be trained and placed within the system of care. As might be expected, and due to Covid-19 restrictions, the consistency of volunteers has been limited. In addition to the prior success of the program, during fiscal 2014-15 Tri-City began publishing the “Vital Volunteer” monthly newsletter that features one volunteer’s story about how volunteering at Tri-City has played a role in their life. Although this practice is expected to continue, due to the significant interruption by the pandemic, the publishing of the Vital Volunteer newsletter is currently on hold.

This year’s budget includes costs of approximately \$284 thousand that are expected to cover the costs to continue community outreach events. The main components of the budgeted expenses are salaries and benefits of approximately \$32 thousand for 0.3 FTE, and \$250 thousand for the employee loan forgiveness program. Tri-City continues to pursue partnering with Claremont High School and Pomona Unified School District to be a part of their career day events for high school students (when permitted as a result of COVID-19). Also, Tri-City will continue to outreach to the High Schools in La Verne to provide presentations on careers in mental health. Tri-City will also continue to partner with ULV in their service learning class to provide volunteer opportunities for 15-20 students per semester and as noted above, continue the W.I.S.H program to train individuals with lived experience to prepare for volunteer and work opportunities in field of mental health.

3. **Administrative WET Costs.** These costs include .5 FTE of administrative staff support.

CAPITAL FACILITIES/TECHNOLOGY NEEDS PROJECTS

In May 2013 the Governing Board approved the initial CFTN plan which included Technology Needs projects at a total projected expenditure of approximately \$1.1 million. This initial plan approved three technology projects to 1) improve the Agency’s infrastructure, 2) create better consumer access to computing resources, and 3) provide systems to monitor programs and provide service outcome support. Implementations of all these projects began in June 2013 and were completed by the end of fiscal 2015-16. CFTN funds are considered one-time use funds and in order to continue projects in the CFTN plan, transfers of MHSA CSS Plan funds must be made into the CFTN Plan. These transfers must first be approved by the stakeholders and then by the Mental Health Commission and the Governing Board. Over the years several transfers have been made into the CFTN plan to fund various projects and the following are projects that are either underway or currently active:

1. **MHSA Administrative Professional Building.** In March 2015, the CFTN plan was updated and approved by the Governing Board which included a new Capital Facilities project for the purchase (including required improvements) of an office building for MHSA Administrative Professional staff. The purchase of an office building was completed in July of 2015 at which time Tri-City commenced the renovations and improvements. The Capital

Facilities plan, after amendments, included a total cost of approximately \$1.7 million for the acquisition and improvements. The renovation of the building was completed during fiscal 2015-16 and was fully occupied in May of 2016. The costs of operating the building (not including depreciation associated with the building and building improvements) are allocated to the appropriate MHSA programs based on the staff that occupy the building, which include programs such as Community Capacity, Stigma Reduction, Community Mental Health Trainers, Employment Stability, Learning and Improvement, Volunteers and Future Employees, and various other PEI and CSS related programs including Administrative support staff directly working on MHSA programs. As such, the only costs presented in this budget related to this project include only the annual depreciation of approximately \$73 thousand for the building and related improvements.

2. **Electrical Upgrade and Office Remodel at the MHSA Administrative Building.** With the continuing expansion of Agency personnel, it was determined that additional office space may be created by reconfiguring a large space located at the MHSA Administrative Building. In addition, the electrical panel required updating so that the building could safely accommodate increased staffing, appliances, emergency generator and a separate air conditioning panel. On January 8, 2020, community stakeholders gathered to review the CFTN projects proposed and the proposal was subsequently posted for a 30-day comment period beginning on January 31, 2020. This project was subsequently approved by the Governing Board in March 2020. Additionally, this project was included in the fiscal year 2020-21 MHSA 3-Year Plan which was approved by the Governing board on June 17, 2020. Preliminary estimates for this project totaled \$509 thousand and as of June of 2022, the Electrical project is complete while the Office Remodel portion of the project is moving forward in fiscal year 2023-24.
3. **Improvements to the Therapeutic Community Garden.** In June 2016 community stakeholders and local Mental Health Commission recommended to Tri-City's Governing Board, who in turn, approved the transfer of \$500,000 from Community Services and Supports (CSS) to Capital Facilities and Technology Needs to enhance the Therapeutic Community Gardening Program. This request was made to establish a permanent garden site consisting of planting beds and construction of an outdoor structure/room designed to accommodate year-round garden activities and support groups. In addition to serving individuals participating in the Therapeutic Community Garden program, this space will be used for the benefit of clients participating in other MHSA programs including Full Service Partnerships and the Peer Mentoring program. On January 8, 2020, community stakeholders gathered to review the CFTN projects proposed and the proposal was subsequently posted for a 30-day comment period beginning on January 31, 2020. This project was subsequently approved by the Governing Board in March 2020. Additionally, this project was included in the fiscal year 2020-21 MHSA 3-Year Plan which was approved by the Governing board on June 17, 2020. This project is currently in progress.
4. **IT Infrastructural Needs Plan.** In May 2022, a new CFTN plan was posted for a 30 day public comment period. In order to maintain high operational computers and network, increase system security and compliance, provide reliable data backup, etc., in June of 2022, the Governing Board approved an amount of \$767 thousand in CFTN funds to implement those IT Infrastructure Needs projects. The funding for this plan will come out of the \$1.7 million that was approved to be transferred from the CSS plan to the CFTN plan in April 2022. The amounts included in this budget are only a portion of the \$767 thousand projected to be expended.

BUDGETED CASH FLOWS

GENERAL COMMENTS

The projected cash flow for MHSA operations include expected inflows of cash from the receipt of MHSA funding received from the State and Medi-Cal reimbursement. The budget includes Medi-Cal reimbursement for services provided to Medi-Cal eligible clients served in the Full Service Partnership program, and a minimal amount related to the Field Capable Services program.

History of MHSA Cash Flow: Although the MHSA legislation began implementation in fiscal 2005-06, Tri-City began applying for MHSA funds at the end of fiscal 2008-09 after emergence from bankruptcy. As a result of the late start, funds that had been allocated to Tri-City in fiscal 2006-07, 2007-08 and 2008-09 were available for use when Tri-City filed its initial CSS plan in April 2009. Funds are considered available for spending upon approval of plans and Tri-City's first three-year plan was approved in May 2009 which included the process of requesting funds from the State to fund the plan. This process continued through fiscal 2009-10 whereby funds requested for the next year's operations were actually received in the year requested.

In fiscal 2010-11 the State decided to transfer to the counties (including Tri-City) all MHSA allocations that were not previously requested. Therefore, Tri-City began receiving unrequested and unapproved funds for all MHSA components from the State as a monthly allocation. Beginning in fiscal 2011-12 the State began to transfer MHSA funds based on tax collections. As such the receipt of these funds does not correlate to the funds approved to be expended in the MHSA updates or submission of new plans. The funds received by Tri-City that have not been approved for expenditure are reflected as deferred revenues (deferred inflows of resources). However, the Cash Flow Statements reflect the actual cash receipt of MHSA funds when they are received. As existing MHSA programs and new Plans are approved, the funds received in prior years in addition to funds to be received in fiscal 2023-24 can be used to fund the new approved expenditures in fiscal 2023-24.

As previously mentioned, during fiscal 2016-17 a new program was created by legislation known as NPLH which reduced MHSA funding to all counties, including Tri-City, by 7% for the purpose of funding a new program titled No place Like Home. The 7% reduction in funding was expected to take effect until fiscal 2020-21 and as such this reduction has been reflected in this budget.

Annually, Tri-City participates in training and continually strives to stay abreast of legislation and various changes that may financially impact the agency or the services we provide. California's Advancing Innovation in Medi-Cal (CalAIM) is the State's long-term commitment to transform and strengthen Medi-Cal. The goal is to provide Californians with more equitable, coordinated and person-centered care. As part of this implementation, the key priorities are to improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform. While the state continues to advance and fully implement the initiatives of CalAIM, Tri-City continues to attend monthly meetings with CBHDA for key updates.

CASH FLOWS FROM OPERATING ACTIVITIES

There are three major components to cash flows from operating activities:

1. Cash received from and on behalf of patients includes the following.
 - a. Expected receipts of Medi-Cal FFP for Medi-Cal services performed under the Full Service Partnerships (FSP). This includes FFP reimbursement for Medi-Cal eligible clients, clients that were previously un-funded but now qualify for Medi-Cal under Medi-Cal Expansion and coverage of undocumented children under the age 19 as previously approved in the Governor's budget. As previously noted, young adults under the age of 26 are now eligible for full scope Medi-Cal.
 - b. Expected receipts of Medi-Cal State EPSDT for Medi-Cal services performed under FSP for children and youth under age 21.
 - c. Collection of client rental payments.
2. Cash payments to suppliers and contractors. These amounts include costs of operating all MHSA related programs.
3. Payments to or on behalf of employees. This amount includes the gross salaries plus benefits.

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

MHSA funding is the only component to cash flows from non-capital financing activities. The amount included in the budget reflects the estimated State 2022-23 allocations that were included in the MHSA 2022-23 Annual Update proposed at the April 12, 2022 Public Hearing and presented and approved at the April 20, 2022 Governing Board Meeting. These funds are released by the State based on dedicated State tax revenues collected by the State and put into the State's Mental Health Fund. As noted previously, and as a direct result of COVID-19, the projections for MHSA funding had been directly impacted. However, the most significant impact was experienced in FY 2020-21 and as of most recent, it is projected that slightly more funding will come in FY 2023-24. These increased revenues are expected to be collected during the first, third and fourth quarters of the year. It should also be noted that the amounts projected to be received were based on the projections provided by the California Behavioral Health Directors Association (CBHDA) as of the most recent projections in February of 2023 and then updated through June 2023.

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

This section reflects MHSA's projected investments in capital facilities, equipment or general capital purchases for the MHSA programs. The projected purchases include the following:

1. Approximately \$190 thousand has been projected for the replacement and improvement of hardware and software during fiscal 2023-24. This includes continual improvement or scheduled replacement of servers, renewal of software licenses, replacement of aged

MHSA – Mental Health Services Act Programs
Operating and Cash Flow Budget For The Fiscal Year 2023-24
Assumptions

computers and replacement and improvement of various information technology related equipment. Although other IT related infrastructure related costs are projected to be expended, they are not all located in the cash flow budget and instead located in the operating budget under CFTN due to the uncertainty of whether or not they will be capitalized at this time.

2. The amount of \$20 thousand is being budgeted for general and capitalizable projected needs of office furniture, office equipment, and other equipment related purchases required for various programs. These costs also include amounts to essentially account for unanticipated purchases as these programs may continue to grow, including FSP, the Wellness Center, the Therapeutic Community Garden and other PEI programs.
3. Approximately \$475 thousand has been included in the cash flow budget for various capital upgrades. In addition, as indicated earlier in this document, the Capital Facilities and Technology (CFTN) plan included projects to be completed in fiscal year 2023-24 which included improvements to the MHSA Administrative Building and improvement to the Therapeutic Community Garden. The total estimated costs for these projects is approximately \$900 thousand and are included in this Cash Flow Budget.

CASH FLOW FROM INVESTING ACTIVITIES

This section reflects MHSA's projected interest income from the cash deposited in the LAIF account and money market and savings accounts. The amount projected is based on the current interest rates.

**TRI-CITY MENTAL HEALTH AUTHORITY
MENTAL HEALTH SERVICES ACT (MHSA) OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				BUDGET	% to	PROJECTED	% to	\$\$\$
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	Rev	2022-23	Rev	Variance
REVENUE									
MEDI-CAL ADULT FFP	739,542	739,542	739,542	739,542	2,958,167	14.2%	2,639,600	12.2%	\$ 318,567
MEDI-CAL CHILDREN FFP	349,895	349,895	349,895	349,895	1,399,579	6.7%	1,230,719	5.7%	168,860
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%	715,499	3.3%	(715,499)
REALIGNMENT	-	-	-	-	-	0.0%	-	0.0%	-
MEDICARE	525	525	525	525	2,100	0.0%	2,300	0.0%	(200)
PATIENT FEES/INSURANCE	-	-	-	-	-	0.0%	-	0.0%	-
MHSA FUNDING	3,884,836	3,884,836	3,884,836	3,884,836	15,539,345	74.8%	16,505,170	76.1%	(965,825)
CITY SHARE - LA VERNE	-	-	-	-	-	0.0%	-	0.0%	-
CITY SHARE - CLAREMONT	-	-	-	-	-	0.0%	-	0.0%	-
CITY SHARE - POMONA	-	-	-	-	-	0.0%	-	0.0%	-
GRANTS	-	-	-	-	-	0.0%	-	0.0%	-
INTEREST INCOME	193,981	193,981	193,981	193,981	775,923	3.7%	397,286	1.8%	378,637
RENTAL AND OTHER INCOME	24,500	24,500	24,500	24,500	98,000	0.5%	95,885	0.4%	2,115
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%	113,513	0.5%	(113,513)
TOTAL REVENUES	5,193,279	5,193,279	5,193,279	5,193,279	20,773,114	100.0%	21,699,972	100.0%	(926,858)
EXPENSES									
SALARY COSTS									
SALARY AND WAGES	3,594,048	3,594,048	3,594,048	3,594,048	14,376,193	69.2%	11,576,542	53.3%	2,799,651
INSURANCE-Health/workers comp/life	566,020	566,020	566,020	566,020	2,264,080	10.9%	1,513,182	7.0%	750,898
RETIREMENT COSTS	576,592	576,592	576,592	576,592	2,306,366	11.1%	1,351,700	6.2%	954,666
PAYROLL TAXES	86,349	86,349	86,349	86,349	345,395	1.7%	196,664	0.9%	148,731
MISC COSTS	85,119	85,119	85,119	85,119	340,477	1.6%	194,233	0.9%	146,244
	4,908,128	4,908,128	4,908,128	4,908,128	19,632,511	94.5%	14,832,321	68.4%	4,800,190
FACILITY COSTS									
STORAGE LEASES	8,627	8,627	8,627	8,627	34,506	0.2%	33,501	0.2%	1,005
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%	-	0.0%	-
FACILITY RENT	39,062	39,062	39,062	39,062	156,249	0.8%	151,698	0.7%	4,551
INTERCOMPANY FACILITY CHARGES	10,977	10,977	10,977	10,977	43,907	0.2%	42,628	0.2%	1,279
UTILITIES	19,801	19,801	19,801	19,801	79,202	0.4%	76,894	0.4%	2,308
BUILDING REPAIRS AND MAINTENANCE	26,861	26,861	26,861	26,861	107,442	0.5%	104,312	0.5%	3,130
JANITORIAL SERVICES & SUPPLIES	18,495	18,495	18,495	18,495	73,979	0.4%	71,824	0.3%	2,155
WASTE DISPOSAL	4,201	4,201	4,201	4,201	16,803	0.1%	16,316	0.1%	487
	128,022	128,022	128,022	128,022	512,088	2.5%	497,173	2.3%	14,915
EQUIPMENT COSTS									
EQUIPMENT RENTAL/LEASE	20,748	20,748	20,748	20,748	82,990	0.4%	80,577	0.4%	2,413
EQUIP MAINT/REPAIRS	3,423	3,423	3,423	3,423	13,690	0.1%	13,291	0.1%	399
EQUIP/FURNITURE PURCHASES EXPENSED	6,342	6,342	6,342	6,342	25,369	0.1%	24,632	0.1%	737
AUTO EXPENSES	3,608	3,608	3,608	3,608	14,433	0.1%	14,012	0.1%	421
AUTO INSURANCE	11,381	11,381	11,381	11,381	45,525	0.2%	44,199	0.2%	1,326
CELLULAR/PAGER LEASES	27,227	27,227	27,227	27,227	108,908	0.5%	105,738	0.5%	3,170
	72,729	72,729	72,729	72,729	290,915	1.4%	282,449	1.3%	8,466

**TRI-CITY MENTAL HEALTH AUTHORITY
MENTAL HEALTH SERVICES ACT (MHSA) OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				BUDGET	% to	PROJECTED	% to	\$\$\$
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	Rev	2022-23	Rev	Variance
OTHER SERVICES AND SUPPLIES	40,108	40,108	40,108	40,108	160,431	0.8%	119,115	0.5%	41,316
CONFERENCES, SEMINARS & RELATED COSTS	2,369	2,369	2,369	2,369	9,474	0.0%	9,199	0.0%	275
MILEAGE REIMBURSEMENT	-	-	-	-	-	0.0%	-	0.0%	-
PERSONNEL ADS	10,475	10,475	10,475	10,475	41,898	0.2%	40,677	0.2%	1,221
PROFESSIONAL LIABILITY INSURANCE	58,374	58,374	58,374	58,374	233,495	1.1%	226,695	1.0%	6,800
SECURITY EXPENSE	118,773	118,773	118,773	118,773	475,092	2.3%	461,254	2.1%	13,838
DUES & SUBSCRIPTIONS	41,110	41,110	41,110	41,110	164,439	0.8%	159,650	0.7%	4,789
OTHER SUPPLIES	9,462	9,462	9,462	9,462	37,847	0.2%	36,747	0.2%	1,100
PRINTING	1,122	1,122	1,122	1,122	4,486	0.0%	4,357	0.0%	129
CLIENT EXPENSES	9,110	9,110	9,110	9,110	36,441	0.2%	109,798	0.5%	(73,357)
LAB COST	165	165	165	165	659	0.0%	640	0.0%	19
AMBULANCE COSTS	586	586	586	586	2,342	0.0%	2,274	0.0%	68
OFFICE SUPPLIES	4,711	4,711	4,711	4,711	18,843	0.1%	18,294	0.1%	549
POSTAGE	525	525	525	525	2,101	0.0%	2,040	0.0%	61
RECORD DESTRUCTION	1,426	1,426	1,426	1,426	5,705	0.0%	5,539	0.0%	166
TELEPHONE EXPENSES	62,349	62,349	62,349	62,349	249,396	1.2%	291,180	1.3%	(41,784)
COMPUTER SYSTEMS & SOFTWARE	39,471	39,471	39,471	39,471	157,882	0.8%	153,285	0.7%	4,597
DATA PROCESSING/LICENSES	22,088	22,088	22,088	22,088	88,353	0.4%	85,779	0.4%	2,574
MISCELLANEOUS	10,392	10,392	10,392	10,392	41,568	0.2%	40,357	0.2%	1,211
	432,613	432,613	432,613	432,613	1,730,452	8.3%	1,766,880	8.1%	(36,428)
SPECIFIC COSTS PROGRAMS:									
CLIENT SUPPORT COSTS	132,299	132,299	132,299	132,299	529,197	2.5%	439,366	2.0%	89,831
UNIQUE MHSA PROGRAM RELATED COSTS	396,766	396,766	396,766	396,766	1,587,064	7.6%	1,672	0.0%	1,585,392
COMMUNITY GRANTS	30,000	30,000	30,000	30,000	120,000	0.6%	75,667	0.3%	44,333
WET-LEARNING & OUTREACH	24,345	24,345	24,345	24,345	97,381	0.5%	94,545	0.4%	2,836
PROFESSIONAL SERVICES	54,713	54,713	54,713	54,713	218,853	1.1%	248,782	1.1%	(29,929)
ADMINISTRATIVE:									
DIRECTORS & OFFICERS INSURANCE	4,659	4,659	4,659	4,659	18,634	0.1%	18,091	0.1%	543
PROFESSIONAL SERVICES	5,026	5,026	5,026	5,026	20,104	0.1%	19,518	0.1%	586
ATTORNEY FEES	31,188	31,188	31,188	31,188	124,753	0.6%	121,120	0.6%	3,633
BANK FEES	1,515	1,515	1,515	1,515	6,058	0.0%	5,882	0.0%	176
AUDIT FEES	7,797	7,797	7,797	7,797	31,187	0.2%	30,279	0.1%	908
	688,308	688,308	688,308	688,308	2,753,231	13.3%	1,054,922	4.9%	1,698,309
DEPRECIATION AND AMORT	158,571	158,571	158,571	158,571	634,283	3.1%	422,230	1.9%	212,053
TOTAL COSTS	6,388,370	6,388,370	6,388,370	6,388,370	25,553,480	123.0%	18,855,975	86.9%	6,697,505
INCOME (LOSS) FROM OPERATIONS	\$(1,195,092)	\$(1,195,092)	\$(1,195,092)	\$(1,195,092)	\$(4,780,366)	-23.0%	\$ 2,843,997	13.1%	\$(7,624,363)

NOTE: The fiscal year 2022-23 amounts are UNAUDITED and PRELIMINARY based on nine months results through March 31, 2023. Such amounts are subject to further review and audit and are presented herein for comparison purposes only.

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA CONSOLIDATING BUDGET
FISCAL YEAR 2023-24

	CSS PROGRAMS	PEI PROGRAMS	INN PROGRAMS	WET PROGRAMS	CFTN PROJECTS	TOTAL
REVENUE						
MEDI-CAL ADULT FFP	2,958,167	\$ -	-	-	\$ -	2,958,167
MEDI-CAL CHILDREN FFP	1,399,579	-	-	-	-	1,399,579
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	-
REALIGNMENT	-	-	-	-	-	-
MEDICARE	2,100	-	-	-	-	2,100
PATIENT FEES/INSURANCE	-	-	-	-	-	-
MHSA FUNDING	11,610,705	3,336,068	592,572	-	-	15,539,345
CITY SHARE - LA VERNE	-	-	-	-	-	-
CITY SHARE - CLAREMONT	-	-	-	-	-	-
CITY SHARE - POMONA	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-
INTEREST INCOME	542,413	141,552	42,753	25,291	23,914	775,923
RENTAL AND OTHER INCOME	98,000	-	-	-	-	98,000
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	-
TOTAL REVENUES	16,610,964	3,477,620	635,325	25,291	23,914	20,773,114
EXPENSES						
SALARY COSTS						
FTE's	137.1	24.8	1.9	3.7	-	167.5
SALARY AND WAGES	11,548,036	2,279,330	256,484	292,343	-	14,376,193
INSURANCE-Health/workers comp/life	1,824,274	353,791	40,895	45,120	-	2,264,080
RETIREMENT COSTS	1,866,038	355,178	38,771	46,379	-	2,306,366
PAYROLL TAXES	278,733	54,051	5,554	7,057	-	345,395
MISC COSTS	273,903	54,032	5,580	6,962	-	340,477
	15,790,984	3,096,382	347,284	397,861	-	19,632,511
FACILITY COSTS						
STORAGE LEASES	32,330	1,478	376	322	-	34,506
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	-
FACILITY RENT	128,098	23,061	2,713	2,377	-	156,249
INTERCOMPANY FACILITY CHARGES	41,172	2,655	40	40	-	43,907
UTILITIES	73,988	4,386	365	463	-	79,202
BUILDING REPAIRS AND MAINTENANCE	97,335	7,084	1,362	1,661	-	107,442
JANITORIAL SERVICES & SUPPLIES	61,485	9,757	1,232	1,505	-	73,979
WASTE DISPOSAL	14,301	2,224	122	156	-	16,803
	448,709	50,645	6,210	6,524	-	512,088
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	70,153	9,682	1,364	1,791	-	82,990
EQUIP MAINT/REPAIRS	11,314	1,932	202	242	-	13,690
EQUIP/FURNITURE PURCHASES EXPENSED	15,739	9,025	440	165	-	25,369
AUTO EXPENSES	14,096	258	46	33	-	14,433
AUTO INSURANCE	42,153	3,074	158	140	-	45,525
CELLULAR/PAGER LEASES	81,615	23,731	1,357	2,205	-	108,908
	235,071	47,702	3,567	4,576	-	290,916

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA CONSOLIDATING BUDGET
FISCAL YEAR 2023-24

	CSS PROGRAMS	PEI PROGRAMS	INN PROGRAMS	WET PROGRAMS	CFTN PROJECTS	TOTAL
OTHER SERVICES AND SUPPLIES						
CONFERENCES, SEMINARS & RELATED COSTS	40,780	4,351	156	115,144	-	160,431
MILEAGE REIMBURSEMENT	8,728	712	5	29	-	9,474
PERSONNEL ADS	35,485	3,600	353	2,460	-	41,898
PROFESSIONAL LIABILITY INSURANCE	193,818	31,816	3,582	4,279	-	233,495
SECURITY EXPENSE	384,527	80,776	4,583	5,206	-	475,092
DUES & SUBSCRIPTIONS	29,411	133,556	706	766	-	164,439
OTHER SUPPLIES	29,551	7,289	447	560	-	37,847
PRINTING	3,397	930	27	132	-	4,486
CLIENT EXPENSES	34,587	1,854	-	-	-	36,441
LAB COST	659	-	-	-	-	659
AMBULANCE COSTS	2,342	-	-	-	-	2,342
OFFICE SUPPLIES	15,424	2,759	334	326	-	18,843
POSTAGE	1,919	182	-	-	-	2,101
RECORD DESTRUCTION	5,705	-	-	-	-	5,705
TELEPHONE EXPENSES	208,556	31,772	4,287	4,781	-	249,396
COMPUTER SYSTEMS & SOFTWARE	135,276	16,729	3,099	2,778	-	157,882
DATA PROCESSING/LICENSES	82,835	4,472	494	552	-	88,353
MISCELLANEOUS	17,927	22,594	441	606	-	41,568
	1,230,927	343,392	18,514	137,619	-	1,730,452
SPECIFIC COSTS						
PROGRAMS:						
CLIENT SUPPORT COSTS	529,197	-	-	-	-	529,197
UNIQUE MHSA PROGRAM RELATED COSTS	-	1,722	354,642	250,000	980,700	1,587,064
COMMUNITY GRANTS	-	120,000	-	-	-	120,000
WET--LEARNING & OUTREACH	-	-	-	97,381	-	97,381
PROFESSIONAL SERVICES	19,751	19,249	179,853	-	-	218,853
ADMINISTRATIVE:						
DIRECTORS & OFFICERS INSURANCE	16,640	1,994	-	-	-	18,634
PROFESSIONAL SERVICES	16,689	2,534	370	511	-	20,104
ATTORNEY FEES	102,643	14,122	4,041	3,947	-	124,753
BANK FEES	4,976	732	182	168	-	6,058
AUDIT FEES	27,850	3,337	-	-	-	31,187
	717,746	163,690	539,088	352,007	980,700	2,753,231
DEPRECIATION AND AMORT						
	524,633	29,726	3,940	2,929	73,055	634,283
TOTAL COSTS	18,948,070	3,731,537	918,603	901,516	1,053,755	25,553,481
INCOME (LOSS) FROM OPERATIONS	\$ (2,337,106)	\$ (253,917)	\$ (283,278)	\$ (876,225)	\$ (1,029,841)	\$ (4,780,367)

OTHER SERVICES AND SUPPLIES
CONFERENCES, SEMINARS & RELATED COSTS
MILEAGE REIMBURSEMENT
PERSONNEL ADS
PROFESSIONAL LIABILITY INSURANCE
SECURITY EXPENSE
DUES & SUBSCRIPTIONS
OTHER SUPPLIES
PRINTING
CLIENT EXPENSES
LAB COST
AMBULANCE COSTS
OFFICE SUPPLIES
POSTAGE
RECORD DESTRUCTION
TELEPHONE EXPENSES
COMPUTER SYSTEMS & SOFTWARE
DATA PROCESSING/LICENSES
MISCELLANEOUS

SPECIFIC COSTS
PROGRAMS:
CLIENT SUPPORT COSTS
UNIQUE MHSA PROGRAM RELATED COSTS
COMMUNITY GRANTS
WET--LEARNING & OUTREACH
PROFESSIONAL SERVICES
ADMINISTRATIVE:
DIRECTORS & OFFICERS INSURANCE
PROFESSIONAL SERVICES
ATTORNEY FEES
BANK FEES
AUDIT FEES

DEPRECIATION AND AMORT

TOTAL COSTS

INCOME (LOSS) FROM OPERATIONS

INCOME (LOSS) FROM OPERATIONS

NOTES: CSS=COMMUNITY SERVICES AND SUPPORT PEI=PREVENTION AND EARLY INTERVENTION INN=INNOVATION WET=WORKFORCE EDUCATION AND TRAINING
CFTN=TECHNOLOGY (PART OF THE MHSA FUNDS ALLOTTED TO CAPITAL FACILITIES AND TECHNOLOGY)

**TRI-CITY MENTAL HEALTH AUTHORITY
MENTAL HEALTH SERVICES ACT PROGRAMS CASH FLOW BUDGET
FISCAL YEAR 2023-24**

	FY 2023-24 QUARTERS				BUDGET
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM AND ON BEHALF OF PATIENTS	\$ 1,035,490	\$ 1,441,577	\$ 1,438,741	\$ 4,750,405	\$ 8,666,212
CASH PAYMENTS TO SUPPLIERS AND CONTRACTORS	(1,321,672)	(1,321,672)	(1,321,672)	(1,321,672)	(5,286,686)
PAYMENTS TO OR ON BEHALF OF EMPLOYEES	(4,908,128)	(4,908,128)	(4,908,128)	(4,908,128)	(19,632,511)
NET CASH USED BY OPERATING ACTIVITIES	(5,194,310)	(4,788,223)	(4,791,059)	(1,479,395)	(16,252,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
MHSA FUNDING	5,920,450	4,736,360	7,104,540	5,920,450	23,681,800
OTHER DONATIONS	-	-	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	5,920,450	4,736,360	7,104,540	5,920,450	23,681,800
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PURCHASE OF CAPITAL ASSETS:					
BUILDING AND IMPROVEMENTS	(190,384)	(142,788)	(95,192)	(47,596)	(475,960)
LAND	-	-	-	-	-
OFFICE FURNITURE, EQUIPMENT & VEHICLES	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)
IT EQUIPMENT, HARDWARE AND SOFTWARE LICENSES	(76,000)	(38,000)	(38,000)	(38,000)	(190,000)
PRINCIPAL PAYMENTS ON CAPITAL DEBT	-	-	-	-	-
INTEREST PAID ON CAPITAL DEBT	-	-	-	-	-
RECEIPT/PAYMENT OF INTERCOMPANY ADVANCES BETWEEN OPERATIONS	(10,977)	(10,977)	(10,977)	(10,977)	(43,907)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(282,361)	(196,765)	(149,169)	(101,573)	(729,867)
CASH FLOW FROM INVESTING ACTIVITIES					
INTEREST RECEIVED	193,981	193,981	193,981	193,981	775,923
OTHER INCOME RECEIVED	24,500	24,500	24,500	24,500	98,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	218,481	218,481	218,481	218,481	873,923
NET CHANGE IN CASH	662,260	(30,147)	2,382,793	4,557,963	7,572,871
CASH BEGINNING BALANCE (Projected)	29,989,687	30,651,948	30,621,801	33,004,594	29,989,687
CASH ENDING BALANCE	\$ 30,651,948	\$ 30,621,801	\$ 33,004,594	\$ 37,562,558	\$ 37,562,558

CASH FLOWS FROM OPERATING ACTIVITIES

CASH RECEIVED FROM AND ON BEHALF OF PATIENTS
CASH PAYMENTS TO SUPPLIERS AND CONTRACTORS
PAYMENTS TO OR ON BEHALF OF EMPLOYEES
NET CASH USED BY OPERATING ACTIVITIES

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

MHSA FUNDING
OTHER DONATIONS
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

PURCHASE OF CAPITAL ASSETS:
BUILDING AND IMPROVEMENTS
LAND
OFFICE FURNITURE, EQUIPMENT & VEHICLES
IT EQUIPMENT, HARDWARE AND SOFTWARE LICENSES
PRINCIPAL PAYMENTS ON CAPITAL DEBT
INTEREST PAID ON CAPITAL DEBT
RECEIPT/PAYMENT OF INTERCOMPANY ADVANCES BETWEEN OPERATIONS
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES

CASH FLOW FROM INVESTING ACTIVITIES

INTEREST RECEIVED
OTHER INCOME RECEIVED
NET CASH PROVIDED BY INVESTING ACTIVITIES

NET CHANGE IN CASH

CASH BEGINNING BALANCE (Projected)
CASH ENDING BALANCE

**TRI-CITY MENTAL HEALTH AUTHORITY
COMMUNITY SERVICES AND SUPPORTS (CSS) PROGRAM**

PROPOSED

OPERATING BUDGET

FISCAL YEAR 2023-24

COMMUNITY SERVICES AND SUPPORTS PLAN

OPERATING BUDGET

GENERAL & HISTORICAL INFORMATION

Over the past fourteen years, Tri-City has received approximately \$109.5 million in CSS plan funds. The approved funds have been used to establish Prudent Reserves, fund prior year costs and are expected to cover projected fiscal year 2023-24 operating and capital costs for the CSS programs. In addition, it is expected that additional funds of approximately \$18.0 million relating to the State's 2023-24 allocation will be received throughout the new fiscal year. These funds would be available for use as required based on approval of Tri-City's MHSA Fiscal 2023-24 Annual Update. In accordance with Government Accounting Standards, the unapproved funds will not be reflected as MHSA revenue but will be deferred and recognized as revenue when new plans have been approved and the funds are available for expenditure. The revenue that is deferred (as noted above) will be identified under the caption Deferred Inflows of Resources as MHSA Revenues Restricted for Future Period, on the Statement of Net Position in Tri-City's financial statements.

The current CSS Plan includes six programs:

- Full Service Partnerships (FSP) – Children, TAY, Adult and Older Adult
- Community Navigators
- Wellness Center
- Supplemental Crisis Support
- Field Capable Clinical Services for Older Adults
- Permanent Supportive Housing
- Access to Care

REVENUE

1. **MHSA Funding.** MHSA funding represents the amount of funds approved through the MHSA 2023-24 Annual Plan process and available to be expended for CSS programs. As noted above, only the revenue that is approved for expenditures is recognized as revenue. In accordance with Government Accounting Standards, the unapproved funds will not be reflected as MHSA revenue but will be deferred and only recognized as revenue when new plans have been approved and the funds are available for expenditure.
2. **Medi-Cal Adult and Children FFP.** Medi-Cal FFP represents anticipated Federal reimbursement for Medi-Cal eligible costs that will be incurred under the Full Service Partnership (FSP) and Field Capable Clinical Services for Older Adult programs in the CSS plan that are being served by Tri-City staff. The amounts are based on estimated Medi-Cal billings and projected hours of services to be provided by clinical staff. This level of service is measured in hourly units of service, by practitioner, which are multiplied by the practitioner's hourly rate as prescribed by LADMH.

The CSS 2023-24 budget assumes that enrollment in the FSP program will continue to increase to its full capacity. As noted previously in this budget, as of May 1, 2016, undocumented children under age 19 are eligible to receive full coverage and as such Tri-City anticipates that the number of unfunded clients will continue to slightly decrease. As a result of Medi-Cal Expansion (MCE), it is projected that the non Medi-Cal clients will continue to decrease.

It is expected that a percentage of the clients that are provided services by Tri-City will not qualify for Medi-Cal reimbursement and therefore, 100% of those service costs within these CSS programs will be funded by MHSA funds. This budget assumes that Tri-City will receive Federal Financial Participation funding (FFP) for services provided to clients that do qualify for Medi-Cal. 50% FFP reimbursement is projected for the cost of services provided to children and youth under the age of 21 and adults 21 and over that qualify for Medi-Cal under the original Short-Doyle M/C. As previously noted, as a result of Medi-Cal Expansion (MCE), approximately 90% FFP reimbursement is projected for the cost of services provided to single adults between the age of 18 and 65 that qualify. The budget also assumes that Tri-City will receive approximately 50% of the cost to provide Medi-Cal services to children and youth under the age of 21 years through the State EPSDT program. The remaining unreimbursed Medi-Cal service costs (i.e. local match) will be covered through the MHSA funding as noted above.

In October of 2015 Governor Brown approved Medi-Cal Expansion in the 2015 State Budget which provided for full coverage, as of May 1, 2016, to all low-income children in the state, regardless of their immigration status. These expanded services include mental health treatment. Additionally, starting January 1, 2020, a new California law allows for young adults under the age of 26 to be eligible for full scope Medi-Cal regardless of immigration status.

3. **Interest Income.** Interest income is projected based on expected average cash balances.

OPERATING EXPENSES

1. **Salary Costs.** Salary and Benefits of \$15.8 million include \$12.8 million of direct provider/clinical staff salaries and \$3.0 million of administrative salaries. These costs were based on the historical staffing requirements of each program as determined by the Clinical Director and Program Managers. The costs include vacancies for approximately 8.85 FTE FSP positions which have been projected to be required in continuing to accommodate the FSP clients as well as the continued increase in clients resulting from expanded Medi-Cal eligibility. Tri-City is also projecting that there will be a greater need for services as a direct result of COVID-19. The projected staffing is as follows:

- a. Full Service Partnerships
 - (1) Children – 11.6 Full Time Equivalent (FTEs)
 - (2) TAY – 17.6 FTEs
 - (3) Adult – 28.9 FTEs
 - (4) Older Adult – 4.9 FTEs

Community Services and Supports Plan
Operating Budget For The Fiscal Year 2023-24
Assumptions

- b. Community Navigators – 9.0 FTEs
- c. Access to Care – 18.7 FTEs
- d. Wellness Center – 13.5 FTEs
- e. Supplemental Crisis Support – 7.1 FTEs
- f. Field Capable Clinical Services for Older Adults – 1.0 FTEs
- g. Permanent Supportive Housing Program – 4.2 FTEs
- h. Administration CSS – 20.7 FTE's, includes direct CSS Administration costs which include allocated time of the MHSA Manager and MHSA Director, as well as allocated time of data collection and quality control personnel, and billing and accounting personnel. In addition, Tri-City's Executive and Senior Management team and administrative staff who serve the entire Agency, are anticipated to spend approximately 62% of their time on MHSA programs, including CSS programs.

All other salary costs, including insurance, retirement, and payroll taxes are based on the historical cost as a relationship to base salary and wages.

2. **Facility Costs.** Facility costs represent the costs of maintaining space to house the current staff and any projected new staffing. The major portion of costs represents outside rental charges (leasing of office space), and intercompany facility charges that represent the allocation of costs to own and operate the administrative building located at 2001 N. Garey Ave. in Pomona and the clinic at 2008 N. Garey in Pomona. The costs are either reflected on the specific line item or are allocated to programs through the intercompany facility charge. Facility costs also include utilities, building repairs and maintenance costs and were projected based on actual historical costs per square foot and expected space required by each program.

The costs for storage leases include the rental of space for archiving documents that are legally required to be retained, and are primarily fixed costs with minor increases to rates. Storage costs that do fluctuate are associated with the storage of medical and financial records and will fluctuate based on usage/access of these documents as needed throughout the year.

3. **Equipment Costs.** This amount reflects the anticipated costs for equipment needs for each program.
4. **Other Service and Supply Costs.** Other service and supply costs are projected based on Tri-City's historical percentage relationship of costs incurred and/or as a percentage of salary costs. In addition, certain projected costs include non-recurring costs for training. The major costs included in this category are as follows:
- a. Conference, Seminar & Related Costs. These costs represent anticipated supplemental training of FSP and Wellness Center personnel, as well as the requirement of the MHSA administrative staff attending MHSA conferences and seminars. As might be

Community Services and Supports Plan
Operating Budget For The Fiscal Year 2023-24
Assumptions

anticipated, a significant number of trainings will be continued to be attended online and few will be in-person during fiscal year 2023-24.

- b. Transportation and Mileage Costs. These costs include the anticipated costs to be incurred by the Community Navigators and FSP personnel, since these positions require going out to the client to provide the required services. Transportation and mileage costs also include transportation costs associated with conferences, seminars and trainings. As might be anticipated, most trainings will be conducted online and few will be in-person during fiscal year 2023-24.
 - c. Professional Liability Costs. These costs represent the anticipated cost of professional liability insurance for clinical and support staff and are based on Tri-City's historical cost as it relates to salary costs.
 - d. Security Expense. These costs represent the cost of contracting on-site security guards during business hours at various Tri-City locations. The costs are then proportionately allocated to each of the programs by location and staff.
 - e. Client Costs. These costs represent varying miscellaneous costs used to support clients during their care.
 - f. Office Supplies, Other Supplies and Telephone Costs. These costs are projected based on Tri-City's historical percentage relationship of costs as a percent of salary cost. In addition, other supply costs include program supplies anticipated to be required for the Wellness Center.
 - g. Data Processing/Licenses, Computer Systems. The data processing costs relate to the expected monthly charges to be allocated for Medi-Cal billing and statistical data reporting. The computer systems/IT related expenses represent the cost of upgrading hardware and connectivity. This includes the professional fees that may be paid to IT specialists.
5. **Specific Costs**. These costs are specific to certain programs and administrative expenditures.
- a. Client Support Costs. These are generally costs that do not qualify as mental health expenditures for Medi-Cal reimbursement but are necessary to assist a client in achieving their goals. These costs are primarily for housing, however generally include food, clothing, and education/employment training, and are called FLEX funds under the Full Service Partnership program. The FLEX funds are based on past experience, the current and projected need for the upcoming year and the number of Medi-Cal FSP clients receiving direct services.
 - b. Professional Services. These costs include consulting and professional services which include services related to the comprehensive compensation study currently being completed. These costs would include services provided to the Wellness Center by NAMI, recruitment fees, personnel related consultants, housing related professional fees and other general consulting and media costs. The budgeted professional service costs also allows for unexpected services to be required.

Community Services and Supports Plan
Operating Budget For The Fiscal Year 2023-24
Assumptions

- c. Attorney Fees. These costs included in the CSS administrative budget represent general legal fees expected in conjunction with the day-to-day program operations including contracting and human resources. The amount projected for 2023-24, is in line with prior years' budgeted amounts for legal fees and considered prudent to allow for unexpected matters to arise.

- d. Directors & Officers Insurance and Audit Fees. These are costs allocated to the CSS program.

TRI-CITY MENTAL HEALTH AUTHORITY
 MHSA--CSS OPERATING BUDGET
 FISCAL YEAR 2023-24

	FY 23-24 QUARTERS				BUDGET	% to
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	
REVENUE						
MEDI-CAL ADULT FFP	\$ 739,542	\$ 739,542	\$ 739,542	\$ 739,542	\$ 2,958,167	17.8%
MEDI-CAL CHILDREN FFP	349,895	349,895	349,895	349,895	1,399,579	8.4%
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%
REALIGNMENT	-	-	-	-	-	0.0%
MEDICARE	525	525	525	525	2,100	0.0%
PATIENT FEES/INSURANCE	-	-	-	-	-	0.0%
MHSA FUNDING	2,902,676	2,902,676	2,902,676	2,902,676	11,610,705	69.9%
CITY SHARE - LA VERNE	-	-	-	-	-	0.0%
CITY SHARE - CLAREMONT	-	-	-	-	-	0.0%
CITY SHARE - POMONA	-	-	-	-	-	0.0%
GRANTS	-	-	-	-	-	0.0%
INTEREST INCOME	135,603	135,603	135,603	135,603	542,413	3.3%
RENTAL AND OTHER INCOME	24,500	24,500	24,500	24,500	98,000	0.6%
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%
TOTAL REVENUES	4,152,741	4,152,741	4,152,741	4,152,741	16,610,964	100.0%
EXPENSES						
SALARY COSTS						
SALARY AND WAGES	2,887,009	2,887,009	2,887,009	2,887,009	11,548,036	69.5%
INSURANCE-Health/workers comp/life	456,069	456,069	456,069	456,069	1,824,274	11.0%
RETIREMENT COSTS	466,510	466,510	466,510	466,510	1,866,038	11.2%
PAYROLL TAXES	69,683	69,683	69,683	69,683	278,733	1.7%
MISC COSTS	68,476	68,476	68,476	68,476	273,903	1.6%
	3,947,746	3,947,746	3,947,746	3,947,746	15,790,984	95.1%
FACILITY COSTS						
STORAGE LEASES	8,083	8,083	8,083	8,083	32,330	0.2%
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%
FACILITY RENT	32,025	32,025	32,025	32,025	128,098	0.8%
INTERCOMPANY FACILITY CHARGES	10,293	10,293	10,293	10,293	41,172	0.2%
UTILITIES	18,497	18,497	18,497	18,497	73,988	0.4%
BUILDING REPAIRS AND MAINTENANCE	24,334	24,334	24,334	24,334	97,335	0.6%
JANITORIAL SERVICES & SUPPLIES	15,371	15,371	15,371	15,371	61,485	0.4%
WASTE DISPOSAL	3,575	3,575	3,575	3,575	14,301	0.1%
	112,177	112,177	112,177	112,177	448,709	2.7%
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	17,538	17,538	17,538	17,538	70,153	0.4%
EQUIP MAINT/REPAIRS	2,829	2,829	2,829	2,829	11,314	0.1%
EQUIP/FURNITURE PURCHASES EXPENSED	3,935	3,935	3,935	3,935	15,739	0.1%
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-	-	0.0%
AUTO EXPENSES	3,524	3,524	3,524	3,524	14,096	0.1%
AUTO INSURANCE	10,538	10,538	10,538	10,538	42,153	0.3%
CELLULAR/PAGER LEASES	20,404	20,404	20,404	20,404	81,615	0.5%
	58,768	58,768	58,768	58,768	235,070	1.4%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-CSS OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				BUDGET	% to
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 2023-24	
OTHER SERVICES AND SUPPLIES	10,195	10,195	10,195	10,195	40,780	0.2%
CONFERENCES, SEMINARS & RELATED COSTS	2,182	2,182	2,182	2,182	8,728	0.1%
MILEAGE REIMBURSEMENT	8,871	8,871	8,871	8,871	35,485	0.2%
PERSONNEL ADS	48,455	48,455	48,455	48,455	193,818	1.2%
PROFESSIONAL LIABILITY INSURANCE	96,132	96,132	96,132	96,132	384,527	2.3%
SECURITY EXPENSE	7,353	7,353	7,353	7,353	29,411	0.2%
DUES & SUBSCRIPTIONS	7,388	7,388	7,388	7,388	29,551	0.2%
OTHER SUPPLIES	849	849	849	849	3,397	0.0%
PRINTING	8,647	8,647	8,647	8,647	34,587	0.2%
CLIENT EXPENSES	165	165	165	165	659	0.0%
LAB COST	586	586	586	586	2,342	0.0%
AMBULANCE COSTS	3,856	3,856	3,856	3,856	15,424	0.1%
OFFICE SUPPLIES	480	480	480	480	1,919	0.0%
POSTAGE	1,426	1,426	1,426	1,426	5,705	0.0%
RECORD DESTRUCTION	52,139	52,139	52,139	52,139	208,556	1.3%
TELEPHONE EXPENSES	33,819	33,819	33,819	33,819	135,276	0.8%
COMPUTER SYSTEMS CONNECTIONS	20,709	20,709	20,709	20,709	82,835	0.5%
DATA PROCESSING/LICENSES	-	-	-	-	-	0.0%
IT RELATED EXPENSES-Consulting/Training	4,482	4,482	4,482	4,482	17,927	0.1%
MISCELLANEOUS (OPERATING RESERVE)	307,732	307,732	307,732	307,732	1,230,927	7.4%
SPECIFIC COSTS						
PROGRAMS:						
CLIENT SUPPORT COSTS	132,299	132,299	132,299	132,299	529,197	3.2%
UNIQUE MHSA PROGRAM RELATED COSTS	-	-	-	-	-	0.0%
COMMUNITY GRANTS	-	-	-	-	-	0.0%
WET--LEARNING & OUTREACH	-	-	-	-	-	0.0%
PROFESSIONAL SERVICES	4,938	4,938	4,938	4,938	19,751	0.1%
ADMINISTRATIVE:						
DIRECTORS & OFFICERS INSURANCE	4,160	4,160	4,160	4,160	16,640	0.1%
PROFESSIONAL SERVICES	4,172	4,172	4,172	4,172	16,689	0.1%
ATTORNEY FEES	25,661	25,661	25,661	25,661	102,643	0.6%
BANK FEES	1,244	1,244	1,244	1,244	4,976	0.0%
AUDIT FEES	6,963	6,963	6,963	6,963	27,850	0.2%
	179,437	179,437	179,437	179,437	717,746	4.3%
DEPRECIATION AND AMORT	131,158	131,158	131,158	131,158	524,633	3.2%
TOTAL COSTS	4,737,017	4,737,017	4,737,017	4,737,017	18,948,069	114.1%
INCOME (LOSS) FROM OPERATIONS	\$ (584,276) \$	(584,276) \$	(584,276) \$	(584,276) \$	\$ (2,337,105)	-14.1%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-COMMUNITY SERVICES AND SUPPORT (CSS) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

REVENUE	CHILD FSP	TAY FSP	ADULT FSP	ADULT-FSP	ATC	NAVI-GATORS	WELLNESS CENTER	SUPP SUPPORT	FIELD CAPABLE-- OLDER AD	CSS HOUSING	CSS ADMIN	TOTAL
MEDI-CAL ADULT FFP		\$ -	\$ 1,829,353	\$ 252,764	\$ 756,793	\$ -	\$ -	\$ -	\$ 119,257	\$ -	\$ -	\$ 2,958,167
MEDI-CAL CHILDREN FFP	624,035	775,544	-	-	-	-	-	-	-	-	-	1,399,579
MEDI-CAL-STATE	-	-	-	-	-	-	-	-	-	-	-	-
REALIGNMENT	-	-	-	-	-	-	-	-	-	-	-	-
MEDICARE	-	-	1,500	100	-	-	-	-	500	-	-	2,100
PATIENT FEES/INSURANCE	-	-	-	-	-	-	-	-	-	-	-	-
MHSA FUNDING	489,270	683,060	2,099,616	373,178	1,765,735	434,159	1,309,197	879,110	26,739	420,615	3,130,026	11,610,705
GRANTS	-	-	-	-	-	-	-	-	-	-	-	-
INTEREST INCOME	-	-	-	-	-	-	-	-	-	-	542,413	542,413
RENTAL AND OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	-	-	-	-	98,000	-	98,000
TOTAL REVENUES	1,113,305	1,458,604	3,930,469	626,042	2,522,528	434,159	1,309,197	879,110	146,496	518,615	3,672,439	16,610,964
EXPENSES												
SALARY COSTS	11.6	17.6	28.9	4.9	18.7	9.0	13.5	7.1	1.0	4.2	20.7	137.1
SALARY AND WAGES	1,022,630	1,487,922	2,707,179	449,409	1,384,464	522,331	814,842	584,410	102,686	269,173	2,202,990	11,548,036
INSURANCE-Health/workers comp/life	165,719	239,904	422,835	70,093	212,591	83,865	133,001	94,860	15,447	42,976	342,983	1,824,274
RETIREMENT COSTS	189,031	245,046	445,312	73,912	221,918	83,567	130,054	93,741	16,307	42,801	344,349	1,866,038
PAYROLL TAXES	25,056	36,442	64,572	10,724	33,770	12,717	19,791	14,265	2,482	6,513	52,401	278,733
MISC COSTS	24,480	35,564	63,502	10,538	32,669	12,931	19,454	14,446	2,401	6,580	51,338	273,903
FACILITY COSTS	1,406,916	2,044,878	3,703,400	614,676	1,885,412	715,411	1,117,142	801,722	139,323	388,043	2,994,061	15,790,984
STORAGE LEASES	4,346	5,311	11,104	1,931	-	-	-	-	-	-	9,638	32,330
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	-	-	-	-	-	-	-
FACILITY RENT	20,583	32,332	5,195	-	-	-	-	-	-	-	69,988	128,098
INTERCOMPANY FACILITY CHARGES	-	-	25,856	4,974	1,789	-	-	7,314	-	-	1,239	41,172
UTILITIES	-	-	19,055	3,666	903	1,208	38,921	5,365	-	3,211	1,659	73,988
BUILDING REPAIRS AND MAINTENANCE	1,719	1,937	4,066	773	317	4,501	22,381	1,137	-	55,064	5,440	97,335
JANITORIAL SERVICES & SUPPLIES	5,452	8,039	11,812	2,160	337	3,696	15,972	3,151	-	2,753	8,113	61,485
WASTE DISPOSAL	-	-	2,090	219	34	438	3,989	1,269	-	5,940	322	14,301
EQUIPMENT COSTS	32,100	47,619	79,178	13,723	3,380	9,843	81,263	18,236	-	66,968	96,399	448,709
EQUIPMENT RENTAL/LEASE	4,635	6,745	18,207	3,293	644	3,773	11,976	4,808	-	2,796	13,276	70,153
EQUIP MAINT/REPAIRS	1,223	1,692	3,000	577	112	545	1,317	821	-	291	1,736	11,314
EQUIP/FURNITURE PURCHASES EXPENSED	958	140	5,621	1,034	491	1,940	521	1,132	-	1,154	2,748	15,739
AUTO EXPENSES	710	226	4,877	-	-	-	1,462	5,367	267	199	988	14,096
AUTO INSURANCE	4,797	2,471	9,139	-	-	-	7,263	9,683	2,513	2,156	4,131	42,153
CELLULAR/PAGER LEASES	8,249	10,332	20,031	1,785	1,710	5,367	8,689	5,575	638	3,193	16,046	81,615
TOTAL	20,572	21,606	60,875	6,689	2,958	11,625	31,228	27,386	3,418	9,789	38,925	235,071

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-COMMUNITY SERVICES AND SUPPORT (CSS) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	CHILD FSP	TAY FSP	ADULT FSP	ADULT FSP	OLDER ADULT-FSP	ATC	NAVI-GATORS	WELLNESS CENTER	SUPPORT CENTER	CRISIS SUPPORT	SUPP CRISIS SUPPORT	FIELD CAPABLE-- OLDER AD	CSS HOUSING	CSS ADMIN	TOTAL
OTHER SERVICES AND SUPPLIES	952	1,479	13,196	7,875	-	-	-	453	-	12,684	-	-	-	4,141	40,780
CONFERENCES, SEMINARS & RELATED COSTS	924	1,177	3,472	564	1	2,468	-	-	-	-	-	-	34	88	8,728
MILEAGE REIMBURSEMENT	1,628	2,073	18,272	2,969	1,470	1,982	-	1,677	-	-	-	-	448	4,966	35,485
PERSONNEL ADS	18,467	25,672	48,588	9,312	3,697	10,041	-	28,380	-	13,389	-	-	8,784	27,488	193,818
PROFESSIONAL LIABILITY INSURANCE	13,220	19,524	89,025	16,847	3,065	13,082	-	151,442	-	24,601	-	-	26,938	26,783	384,527
SECURITY EXPENSE	366	613	341	359	-	5	-	-	-	-	-	-	316	27,411	29,411
DUES & SUBSCRIPTIONS	3,132	3,445	8,402	4,536	210	1,358	-	2,253	-	1,699	-	-	1,200	3,316	29,551
OTHER SUPPLIES	450	597	833	248	238	67	-	141	-	141	-	-	115	708	3,397
PRINTING	487	487	809	718	151	73	-	242	-	2,299	-	141	29,180	-	34,587
CLIENT EXPENSES	-	-	-	-	-	-	-	-	-	444	-	215	-	-	659
LAB COST	1,078	-	1,264	-	-	-	-	-	-	-	-	-	-	-	2,342
AMBULANCE COSTS	1,324	1,925	3,266	889	83	1,767	-	-	-	622	-	-	788	3,918	15,424
OFFICE SUPPLIES	-	-	20	-	-	-	-	-	-	-	-	-	169	1,730	1,919
POSTAGE	1,092	1,335	2,792	486	-	-	-	-	-	-	-	-	-	-	5,705
RECORD DESTRUCTION	15,228	20,439	42,249	8,022	1,429	9,022	-	43,396	-	11,525	-	28	6,027	51,191	208,556
TELEPHONE EXPENSES	5,239	6,170	13,629	2,602	311	17,700	-	416	-	100	-	-	141	88,968	135,276
COMPUTER SYSTEMS CONNECTIONS	13,614	17,097	34,496	6,126	614	1,262	-	3,049	-	1,900	-	-	673	4,004	82,835
DATA PROCESSING/LICENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT RELATED EXPENSES-Consulting/Training	240	240	240	240	-	34	-	965	-	-	-	-	126	15,842	17,927
MISCELLANEOUS (OPERATING RESERVE)	77,441	102,273	280,894	61,793	11,031	58,102	-	234,112	-	69,404	-	384	74,939	260,554	1,230,927
SPECIFIC COSTS															
PROGRAMS:															
CLIENT SUPPORT COSTS	152	2,803	381,439	61,892	-	-	-	-	-	-	-	-	82,911.00	-	529,197
UNIQUE MHSA PROGRAM RELATED COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMMUNITY GRANTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WET--LEARNING & OUTREACH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	14,300	-	-	-	-	5,451	-	19,751
ADMINISTRATIVE:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIRECTORS & OFFICERS INSURANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	16,640	16,640
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	16,689	16,689
ATTORNEY FEES	-	-	5,299	-	-	-	-	-	-	-	-	-	5,335	92,009	102,643
BANK FEES	-	-	-	-	-	-	-	-	-	-	-	-	185	4,791	4,976
AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-	27,850	27,850
DEPRECIATION AND AMORT	152	2,803	386,738	61,892	-	-	-	14,300	-	-	-	-	93,882	157,979	717,746
TOTAL COSTS	60,081	90,919	34,376	8,041	-	787	-	173,202	-	20,674	-	6,948	46,661	82,944	524,633
INCOME (LOSS) FROM OPERATIONS	1,597,262	2,310,098	4,545,461	766,814	1,902,781	795,768	1,651,247	937,422	150,073	660,282	3,630,862	18,948,070	18,948,070	18,948,070	
	\$ (483,957)	\$ (851,494)	\$ (614,992)	\$ (140,772)	\$ 619,747	\$ (361,609)	\$ (342,050)	\$ (58,312)	\$ (3,577)	\$ (141,667)	\$ 41,577	\$ (2,337,106)	\$ (2,337,106)		

**TRI-CITY MENTAL HEALTH AUTHORITY
PREVENTION AND EARLY INTERVENTION (PEI) PROGRAM**

PROPOSED

OPERATING BUDGET

FISCAL YEAR 2023-24

PREVENTION AND EARLY INTERVENTION PLAN

OPERATING BUDGET

GENERAL & HISTORICAL INFORMATION

Over the past approximate fifteen years (including Fiscal 2022-23), Tri-City has received approximately \$28.9 million in PEI plan funds. These funds have been used to fund prudent reserves of approximately \$638 thousand and prior years' program costs, and it is estimated that it will be used to cover approximately \$3.7 million of the projected fiscal year 2023-24 operating and capital costs for the PEI programs. In addition, it is expected that additional funds of approximately \$4.5 million relating to the State's 2023-24 allocation will be received throughout the new fiscal year. A portion of the funds will be used for the approved 2023-24 expenditures and the remaining funds, will be available for use when the subsequent MHSAs Fiscal 2024-25 Annual Update or interim update is submitted and approved by the Governing Board. In accordance with Government Accounting Standards, the unapproved funds will not be reflected as MHSAs revenue but will be deferred and only recognized as revenue when new plans have been approved and the funds are available for expenditure. The revenue that is deferred will be identified under the caption of Deferred Inflows of Resources as MHSAs Revenues Restricted for Future Period, on the Statement of Net Position in Tri-City's Financial Statements.

The current PEI Plan includes nine programs:

- Community Capacity Building (Community Wellbeing, Stigma Reduction and Suicide Prevention and Community Mental Health Training)
- Older Adult Wellbeing (Peer Mentor)
- Transition Age Youth (TAY) Wellbeing (Peer Mentor)
- Family Wellbeing
- School Based Services (new to the PEI plan effective 7/1/2022)
- NAMI Community Capacity Building Program (Ending the Silence)
- Housing Stability Program
- Therapeutic Community Gardening
- Early Psychosis

REVENUE

1. **MHSAs Funding.** MHSAs funding represents the amount of funds approved through the MHSAs 2023-24 Annual Update and available to be expended for PEI programs. As noted above, only the revenue that is approved for expenditures is recognized as revenue. In accordance with Government Accounting Standards, the unapproved funds will not be reflected as MHSAs revenue but will be deferred and only recognized as revenue when new plans have been approved and the funds are available for expenditure.
2. **Interest Income.** Interest income is projected based on expected average cash balances.

OPERATING EXPENSES

1. **Salary Costs.** Salary and benefits of \$3.1 million include \$2.5 million of direct provider/clinical staff salaries and \$585 thousand of administrative salaries. The costs were based on the historical staffing requirements of each program as determined by the MHSA Director. In addition, salaries and benefits for Tri-City's Executive and Senior Management team and administrative staff who serve the entire Agency, have been allocated to PEI programs, based on a methodology that reflects the staffing proportions of the Agency. The projected staffing is as follows:

- a. Community Capacity Building – 3.3 FTEs
- b. Older Adult and TAY-Adult Wellbeing programs – 2.6 FTE (1.3 FTE each)
- c. Family Wellbeing – 1.0 FTE
- d. School Based Services – 7.5 FTE
- e. NAMI -- 0 FTE
- f. Housing Stability – 1.8 FTE
- g. Therapeutic Community Gardening – 3.9 FTE
- h. Early Psychosis – 1.0 FTE which includes one full-time Psychologist
- i. Administration-PEI – 0.3 FTE

All other salary costs, including insurance, retirement, and payroll taxes are based on the historical cost as a relationship to base salary and wages.

2. **Facility Costs.** Facility costs represent the costs of maintaining space to house staffing and include rent, intercompany facility charges, utilities, and maintenance costs. These costs were projected based on historical costs per square foot and expected space required for each program.

3. **Equipment Costs.** This amount reflects the anticipated equipment costs including computers, cellular phones and other equipment and related fees and rental expenses required for each program.

4. **Other Service and Supply Costs.** Other service and supply costs are projected based on Tri-City's historical percentage relationship of costs incurred and allocated as a percentage to salary costs. In addition, amounts have been projected for seminars and training costs. The major costs included in this category are as follows:

- a. Conference, Seminar & Related Costs. These costs represent anticipated conferences/training of personnel in the Community Capacity Building project, as well as personnel in the Wellbeing programs. In addition, MHSA administrative staff will also be

Prevention and Early Intervention Plan
Operating Budget For The Fiscal Year 2023-24
Assumptions

- attending MHA conferences and seminars. As might be anticipated, some trainings will be conducted online and more will be in-person during fiscal year 2023-24.
- b. Transportation and Mileage Costs. These costs include the anticipated costs to be incurred by the PEI program staff and PEI administrative personnel, since these positions require going out to the community to provide the required services.
 - c. Professional Liability Costs. These costs represent the anticipated cost of professional liability insurance for staff and are based on Tri-City's historical cost and allocated as it relates to salary costs.
 - d. Security Expense. These costs represent the cost of contracting on-site security guards during business hours at various Tri-City locations including the Clinics. The costs are then proportionately allocated to each of the programs by location and staff.
 - e. Dues and Subscriptions. These costs include dues for industry associations, dues and renewals for professional licenses and dues for computer program support.
 - f. Office Supplies, Other Supplies and Telephone Costs. These costs are projected based on Tri-City's historical percentage relationship of costs and allocated as a percent of salary cost.
 - g. Computer Systems Connections. The computer systems/IT related expenses represent the estimated cost specifically associated with the projected computer systems that will be required to operate programs.
 - h. Miscellaneous Costs. This amount is projected for use on operating categories that may be in excess of the original budgeted amount and estimated based on past experience.
5. **Specific Costs.** This includes amounts identified as specific program expenses and administrative costs.
- a. Community Grants. This is the expected award of community grants in fiscal 2023-24 as established through the Community Capacity Building programs.
 - b. Professional Services. These costs include contract fees and stipends for the NAMI programs (1) Ending the Silence Program (formerly Parents and Teachers as Allies program) and (2) NAMI 101, and other general professional fees that may be required during the year such as potential project management or consulting fees for miscellaneous projects. These costs generally vary from year to year and amounts budgeted are in line with prior years' budgeted amounts and allow for unexpected services to be required.
 - c. Directors & Officers Insurance and Audit Fees. These are the costs allocated to the PEI program as a percentage of salary costs.

TRI-CITY MENTAL HEALTH AUTHORITY
 MHSA-PEI OPERATING BUDGET
 FISCAL YEAR 2023-24

	FY 23-24 QUARTERS				Budget	% to
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 23-24	Rev
REVENUE						
MEDI-CAL ADULT FFP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
MEDI-CAL CHILDREN FFP	-	-	-	-	-	0.0%
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%
REALIGNMENT	-	-	-	-	-	0.0%
MEDICARE	-	-	-	-	-	0.0%
PATIENT FEES/INSURANCE	-	-	-	-	-	0.0%
MHSA FUNDING	834,017	834,017	834,017	834,017	3,336,068	95.9%
GRANTS	-	-	-	-	-	0.0%
INTEREST INCOME	35,388	35,388	35,388	35,388	141,552	4.1%
RENTAL AND OTHER INCOME	-	-	-	-	-	0.0%
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%
TOTAL REVENUES	869,405	869,405	869,405	869,405	3,477,620	100.0%
EXPENSES						
SALARY COSTS						
SALARY AND WAGES	569,833	569,833	569,833	569,833	2,279,330	65.5%
INSURANCE-Health/workers comp/life	88,448	88,448	88,448	88,448	353,791	10.2%
RETIREMENT COSTS	88,795	88,795	88,795	88,795	355,178	10.2%
PAYROLL TAXES	13,513	13,513	13,513	13,513	54,051	1.6%
MISC COSTS	13,508	13,508	13,508	13,508	54,032	1.6%
	774,096	774,096	774,096	774,096	3,096,382	89.0%
FACILITY COSTS						
STORAGE LEASES	370	370	370	370	1,478	0.0%
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%
FACILITY RENT	5,765	5,765	5,765	5,765	23,061	0.7%
INTERCOMPANY FACILITY CHARGES	664	664	664	664	2,655	0.1%
UTILITIES	1,097	1,097	1,097	1,097	4,386	0.1%
BUILDING REPAIRS AND MAINTENANCE	1,771	1,771	1,771	1,771	7,084	0.2%
JANITORIAL SERVICES & SUPPLIES	2,439	2,439	2,439	2,439	9,757	0.3%
WASTE DISPOSAL	556	556	556	556	2,224	0.1%
	12,661	12,661	12,661	12,661	50,645	1.5%
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	2,421	2,421	2,421	2,421	9,682	0.3%
EQUIP MAINT/REPAIRS	483	483	483	483	1,932	0.1%
EQUIP/FURNITURE PURCHASES EXPENSED	2,256	2,256	2,256	2,256	9,025	0.3%
AUTO EXPENSES	65	65	65	65	258	0.0%
AUTO INSURANCE	769	769	769	769	3,074	0.1%
CELLULAR/PAGER LEASES	5,933	5,933	5,933	5,933	23,731	0.7%
	11,926	11,926	11,926	11,926	47,702	1.4%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-PEI OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				Budget FY 23-24	% to Rev
	1ST QRT	2ND QRT	3RD QRT	4TH QRT		
OTHER SERVICES AND SUPPLIES	1,088	1,088	1,088	1,088	4,351	0.1%
CONFERENCES, SEMINARS & RELATED COSTS	178	178	178	178	712	0.0%
MILEAGE REIMBURSEMENT	900	900	900	900	3,600	0.1%
PERSONNEL ADS	7,954	7,954	7,954	7,954	31,816	0.9%
PROFESSIONAL LIABILITY INSURANCE	20,194	20,194	20,194	20,194	80,776	2.3%
SECURITY EXPENSE	33,389	33,389	33,389	33,389	133,556	3.8%
DUES & SUBSCRIPTIONS	1,822	1,822	1,822	1,822	7,289	0.2%
OTHER SUPPLIES	233	233	233	233	930	0.0%
PRINTING	464	464	464	464	1,854	0.1%
CLIENT EXPENSES	-	-	-	-	-	0.0%
LAB COST	-	-	-	-	-	0.0%
AMBULANCE COSTS	690	690	690	690	2,759	0.1%
OFFICE SUPPLIES	46	46	46	46	182	0.0%
POSTAGE	-	-	-	-	-	0.0%
RECORD DESTRUCTION	7,943	7,943	7,943	7,943	31,772	0.9%
TELEPHONE EXPENSES	4,182	4,182	4,182	4,182	16,729	0.5%
COMPUTER SYSTEMS CONNECTIONS	1,118	1,118	1,118	1,118	4,472	0.1%
DATA PROCESSING/LICENSES	-	-	-	-	-	0.0%
IT RELATED EXPENSES-Consulting/Training	5,649	5,649	5,649	5,649	22,594	0.6%
MISCELLANEOUS (OPERATING RESERVE)	85,848	85,848	85,848	85,848	343,392	9.9%
SPECIFIC COSTS	-	-	-	-	-	0.0%
PROGRAMS:	431	431	431	431	1,722	0.0%
CLIENT SUPPORT COSTS	30,000	30,000	30,000	30,000	120,000	3.5%
UNIQUE MHSA PROGRAM RELATED COSTS	-	-	-	-	-	0.0%
COMMUNITY GRANTS	4,812	4,812	4,812	4,812	19,249	0.6%
WET-LEARNING & OUTREACH	499	499	499	499	1,994	0.1%
PROFESSIONAL SERVICES	634	634	634	634	2,534	0.1%
ADMINISTRATIVE:	3,531	3,531	3,531	3,531	14,122	0.4%
DIRECTORS & OFFICERS INSURANCE	183	183	183	183	732	0.0%
PROFESSIONAL SERVICES	834	834	834	834	3,337	0.1%
ATTORNEY FEES	40,923	40,923	40,923	40,923	163,690	4.7%
BANK FEES	-	-	-	-	-	0.0%
AUDIT FEES	-	-	-	-	-	0.0%
DEPRECIATION AND AMORT	7,432	7,432	7,432	7,432	29,726	0.9%
TOTAL COSTS	932,884	932,884	932,884	932,884	3,731,537	107.3%
INCOME (LOSS) FROM OPERATIONS	\$ (63,479)	\$ (63,479)	\$ (63,479)	\$ (63,479)	\$ (253,917)	-7.3%

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-PREVENTION AND EARLY INTERVENTION (PEI) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24

	COMMUNITY CAPACITY BUILDING	OLDER ADULT WELLBEING	TAY-ADULT WELLBEING	FAMILY WELLBEING	SCHOOL BASED SERVICES	NAMI	HOUSING STABILITY	THERAPEUTIC COMMUNITY GARDENING	EARLY PSYCHOSIS	ADMIN PEI	TOTAL
REVENUE											
MEDICAL ADULT FFP											\$ -
MEDI-CAL CHILDREN FFP											
MEDI-CAL CHILDREN EPSDT--STATE REALIGNMENT											
PATIENT FEES/INSURANCE											
MHSA FUNDING	448,367	147,252	140,084	94,178	1,140,956	11,833	216,468	326,676	192,926	617,328	3,336,068
CITY SHARE - LA VERNE											
CITY SHARE - CLAREMONT											
CITY SHARE - POMONA											
GRANTS											
INTEREST INCOME											
RENTAL AND OTHER INCOME											
ESTIMATED M/C DENIALS/DISALLOWANCE											
TOTAL REVENUES	448,367	147,252	140,084	94,178	1,140,956	11,833	216,468	326,676	192,926	758,880	3,477,620
EXPENSES											
SALARY COSTS	3.3	1.3	1.3	1.0	7.5		1.8	3.9	1.0	3.7	24.8
FTE's	258,927	114,396	114,396	94,525	669,134		130,517	339,237	98,222	429,976	2,279,330
SALARY AND WAGES	40,678	17,393	17,393	15,386	106,952		20,194	52,806	16,118	66,871	353,791
INSURANCE-Health/workers comp/life	40,592	17,387	17,387	14,290	107,920		20,382	53,882	15,903	67,435	355,178
RETIREMENT COSTS	6,177	2,646	2,646	2,175	16,423		3,102	8,200	2,420	10,262	54,051
PAYROLL TAXES	6,737	2,765	2,765	2,211	15,993		3,042	8,080	2,363	10,076	54,032
MISC COSTS	353,111	154,587	154,587	128,587	946,422		177,237	462,205	135,026	584,620	3,096,382
FACILITY COSTS											
STORAGE LEASES										1,478	1,478
MORTGAGE INTEREST (2008 Garey)											
FACILITY RENT					10,827				1,522	10,712	23,061
INTERCOMPANY FACILITY CHARGES								2,467		188	2,655
UTILITIES	706		302				363	2,756		259	4,386
BUILDING REPAIRS AND MAINTENANCE	2,624		1,124		182		1,350	384	608	812	7,084
JANITORIAL SERVICES & SUPPLIES	2,156		924		2,817		1,108	1,063	449	1,240	9,757
WASTE DISPOSAL	255		110				132	1,678		49	2,224
EQUIPMENT COSTS	5,741		2,460		13,826		2,953	8,348	2,579	14,738	50,645
EQUIPMENT RENTAL/LEASE	2,215		927		1,084		1,132	1,621	652	2,051	9,682
EQUIP MAINT/REPAIRS	432				590		164	259		487	1,932
EQUIP/FURNITURE PURCHASES EXPENSED	197	71	384	454	5,148		65	2,179	21	506	9,025
AUTO EXPENSES							115			143	258
AUTO INSURANCE							2,443			631	3,074
CELLULAR/PAGER LEASES	2,753	2,698	5,474	654	3,947		1,760	3,237	621	2,587	23,731
	5,597	2,769	6,785	1,108	10,769		5,679	7,296	1,294	6,405	47,702

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-PREVENTION AND EARLY INTERVENTION (PEI) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	COMMUNITY CAPACITY BUILDING	OLDER ADULT WELLBEING	TAY-ADULT WELLBEING	FAMILY WELLBEING	SCHOOL BASED SERVICES	NAMI	HOUSING STABILITY	THERAPEUTIC COMMUNITY GARDENING	EARLY PSYCHOSIS	ADMIN PEI	TOTAL
OTHER SERVICES AND SUPPLIES	3,433	140	140	-	-	-	-	-	-	638	4,351
CONFERENCES, SEMINARS & RELATED COSTS	184	-	-	63	313	-	-	135	-	13	712
MILEAGE REIMBURSEMENT	-	-	771	-	1,326	-	4	166	-	767	3,600
PERSONNEL ADS	7,499	-	553	-	9,010	-	3,003	4,256	79	7,416	31,816
PROFESSIONAL LIABILITY INSURANCE	7,631	-	3,271	-	6,853	-	3,925	53,843	1,055	4,198	80,776
SECURITY EXPENSE	-	-	-	-	-	-	-	341	-	133,215	133,556
DUES & SUBSCRIPTIONS	864	-	329	-	594	-	401	4,507	74	520	7,289
OTHER SUPPLIES	114	45	45	-	291	-	107	197	7	124	930
PRINTING	8	-	-	997	87	-	32	730	-	-	1,854
LAB COST	-	-	-	-	-	-	-	-	-	-	-
AMBULANCE COSTS	-	-	-	-	-	-	-	-	-	-	-
OFFICE SUPPLIES	724	26	143	104	614	-	199	252	71	626	2,759
POSTAGE	-	-	-	-	-	-	-	-	-	182	182
RECORD DESTRUCTION	-	-	-	-	-	-	-	-	-	-	-
TELEPHONE EXPENSES	7,017	-	1,435	-	6,998	-	2,707	3,779	645	9,191	31,772
COMPUTER SYSTEMS CONNECTIONS	111	-	46	-	21	-	2,660	34	3	13,854	16,729
DATA PROCESSING/LICENSES	998	-	-	-	1,367	-	379	598	-	1,130	4,472
IT RELATED EXPENSES-Consulting/Training	-	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS (OPERATING RESERVE)	18,450	623	623	-	-	-	-	28	-	2,870	22,594
	47,033	834	7,356	1,164	27,474	-	13,987	68,866	1,934	174,744	343,392
SPECIFIC COSTS											
PROGRAMS:											
CLIENT SUPPORT COSTS	-	-	-	-	-	-	-	-	-	-	-
UNIQUE MHSA PROGRAM RELATED COSTS	1,722	-	-	-	-	-	-	-	-	-	1,722
COMMUNITY GRANTS	120,000	-	-	-	-	-	-	-	-	-	120,000
GRANTS	-	-	-	-	-	-	-	-	-	-	-
WET--LEARNING & OUTREACH	-	-	-	-	-	11,833	-	-	-	-	19,249
PROFESSIONAL SERVICES	7,416	-	-	-	-	-	-	-	-	-	-
ADMINISTRATIVE:											
DIRECTORS & OFFICERS INSURANCE	-	-	-	-	-	-	-	-	-	1,994	1,994
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	2,534	2,534
ATTORNEY FEES	-	-	-	-	-	-	-	-	-	14,122	14,122
BANK FEES	-	-	-	-	-	-	-	-	-	732	732
AUDIT FEES	-	-	-	-	-	-	-	-	-	3,337	3,337
	129,138	-	-	-	-	11,833	-	-	-	22,719	163,690
DEPRECIATION AND AMORT	2,204	1,808	387	-	-	-	8,450	1,060	3,684	12,113	29,726
TOTAL COSTS	542,824	159,998	171,575	130,859	998,491	11,833	208,306	547,795	144,517	815,339	3,731,537
INCOME (LOSS) FROM OPERATIONS	\$ (94,457)	\$ (12,746)	\$ (31,491)	\$ (36,681)	\$ 142,465	\$ -	\$ 8,162	\$ (221,119)	\$ 48,409	\$ (56,459)	\$ (253,917)

TRI-CITY MENTAL HEALTH AUTHORITY

INNOVATION (INN) PROGRAM

PROPOSED

OPERATING BUDGET

FISCAL YEAR 2023-24

INNOVATION PLAN

OPERATING BUDGET

GENERAL & HISTORICAL INFORMATION

As noted in prior years, there are several INN programs that have been approved, implemented and subsequently completed. INN projects are funded through the 5% of MHSA funds received and that are required to be allocated to INN annually. It is estimated that an additional \$1.2 million will be received/allocated to INN in fiscal 2023-24. As prescribed by code, prior to commencing expenditures on a specific project, the project must be approved not only by the Stakeholders and the Governing Board, but also by the State's Mental Health Services Oversight and Accountability Commission (OAC).

This current Innovation budget includes two approved projects.

- Help at Hand (formerly Technology Suite)
- Psychiatric Advance Directives (PADS)- A Multi-County Collaborative

Help at Hand

The Help at Hand project was approved by the Governing Board in June 2018 and approved by the State's Mental Health Services Oversight and Accountability Commission (OAC) in September of 2018. The name of this project is the INN Help at Hand and originally named Technology Suite project.

The INN Help at Hand (Technology Suite) project was originally approved by the OAC as a three-year project (and then later extended to a 5-year project by the OAC) and the intention of the project is to engage in a joint, multi-county Innovation project which explores the impact and effectiveness of a technology-based mental health approach to providing services. The primary purpose of this project is to increase access to mental health care by providing a non-traditional system for individuals who may be reluctant to access services through a more formal clinical setting. Through the use of computers, tablets and smartphones, community members will be able to access a suite of technology-based mental health services focused on prevention, early intervention, and family and social support with the intent to: decrease emergency care services; reduce psychiatric hospitalizations; and reduce the duration of untreated mental illness. More details are included in the Innovation Project Plan document posted on Tri-City's website.

As mentioned above as for the timeline of the project, Tri-City will continue to support community members and clients through the Help at Hand project until December 31, 2023.

Psychiatric Advance Directives (PADS)

PADs are a form of Supportive Decision-Making (SDM), a decision-making methodology where people work with friends, family members, and professionals who help them understand the situations and choices they face so they may make their own informed decisions and direct their lives. The process of developing a PAD, with support from, among others, county mental health professionals, can help people clarify their preferences for treatment so that they will receive appropriate support and care, especially during mental health crises. When handled skillfully, a PAD is a powerful tool to increase a person's quality of care within the mental health and justice-involved settings.

The PADS program was endorsed by Tri-City's MHSA stakeholder and eventually approved by Tri-City's Mental Health Commission and the Governing Board in April of 2022 and then was approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC).

Tri-City is currently working with Syracuse University to develop and implement the multi-county collaborative PADs where Tri-City will partner with local first responders, law enforcement, crisis teams, and hospital staff as well as local colleges to roll out the PADs program effectively.

REVENUE

1. **MHSA Funding.** MHSA funding represents the amount of funds projected to be expended in fiscal 2023-24 and are amounts that are within the overall Innovation Plans that have been approved by the Governing Board.
2. **Interest Income.** Interest income is projected based on expected average cash balances.

OPERATING EXPENSES

1. **Salary Costs.** Salary and benefits of \$347 thousand include \$231 thousand of direct staff salaries and \$74 thousand of administrative salaries. The costs were based on expected staffing requirements of each program, which includes projected staff time to be spent in conjunction with the development of INN programs. In addition, salaries and benefits for Tri-City's Executive and Senior Management team and administrative staff who serve the entire Agency, have been allocated to INN programs, based on a methodology that reflects the staffing proportions of the Agency. The projected staffing in FTEs are projected as follows:
 - a. INN Technology Suite – 0.8 FTEs
 - b. PADs Program - 0.8 FTEs
 - b. Administration-INN – .3 FTEs

All other salary costs, including insurance, retirement, and payroll taxes are based on the historical cost as a relationship to base salary and wages.

2. **Facility Costs.** Facility costs represent the costs of maintaining space to house the projected staffing and include intercompany facility charges for use of facilities, and maintenance costs. These costs were projected based on market rate per square foot and expected space required for each program by FTE.

3. **Equipment Costs.** This amount reflects the anticipated equipment costs of cellular phones and related fees required for each program.
4. **Other Service and Supply Costs.** Other service and supply costs are projected based on Tri-City's historical percentage relationship of costs incurred as a percentage to salary costs. In addition, certain projected costs include costs for seminars and training related costs for employees working on INN programs. The major costs included in this category are as follows:
 - a. Professional Liability Insurance. These costs represent the anticipated cost of professional liability insurance for staff based on Tri-City's history cost and salary allocation.
 - b. Security Expense. These costs represent the cost of contracting on-site security guards during business hours at various Tri-City locations including the Clinics. The costs are then proportionately allocated to each of the programs by location and staff.
 - c. Dues and Subscriptions. These costs include dues for industry associations, dues and renewals for professional licenses and dues for computer program support.
 - d. Office Supplies, Other Supplies and Telephone Costs. These costs are projected based on Tri-City's historical percentage relationship of costs as a percent of salary cost.
 - e. Computer Systems Connections. The computer systems/IT related expenses represent the estimated cost specifically associated with the projected computer systems that will be required for the current project.
 - f. Miscellaneous Costs. This amount is primarily used for any operating category that may be in excess of the original budgeted amount. This amount was also estimated as administrative costs that will be associated with implementing new INN projects.
5. **Specific Costs.** This includes amounts identified as specific program expenses and administrative costs.
 - a. Professional Services. This amount for professional services is specifically related to the INN Technology Suite Project and are estimated for its implementation, and will be paid to a third party via a Participation Agreement with the California Mental Health Services Authority which was authorized at the Governing Board Meeting on November 14, 2018. The \$180 thousand in costs identified within the INN Technology Suite are estimated for the peer salaries and stipends for listeners and liaisons related directly with the implementation of the Help at Hand/Technology Suite Project.
 - b. Unique MHSA Program Related Costs. Costs totaling \$355 thousand represents the planning cost and implementation cost of the approved PAD's program operating budget.

TRI-CITY MENTAL HEALTH AUTHORITY
 MHSA-INN OPERATING BUDGET
 FISCAL YEAR 2023-24

	FY 23-24 QUARTERS				Budget FY 23-24	% to Rev
	1ST QRT	2ND QRT	3RD QRT	4TH QRT		
REVENUE						
MEDI-CAL ADULT FFP	-	\$ -	\$ -	\$ -	-	0.0%
MEDI-CAL CHILDREN FFP	-	-	-	-	-	0.0%
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%
REALIGNMENT	-	-	-	-	-	0.0%
MEDICARE	-	-	-	-	-	0.0%
PATIENT FEES/INSURANCE	-	-	-	-	-	0.0%
MHSA FUNDING	148,143	148,143	148,143	148,143	592,572	93.3%
GRANTS	-	-	-	-	-	0.0%
INTEREST INCOME	10,688	10,688	10,688	10,688	42,753	6.7%
RENTAL AND OTHER INCOME	-	-	-	-	-	0.0%
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%
TOTAL REVENUES	158,831	158,831	158,831	158,831	635,325	100.0%
EXPENSES						
SALARY COSTS						
SALARY AND WAGES	64,121	64,121	64,121	64,121	256,484	40.4%
INSURANCE-Health/workers comp/life	10,224	10,224	10,224	10,224	40,895	6.4%
RETIREMENT COSTS	9,693	9,693	9,693	9,693	38,771	6.1%
PAYROLL TAXES	1,389	1,389	1,389	1,389	5,554	0.9%
MISC COSTS	1,395	1,395	1,395	1,395	5,580	0.9%
	86,821	86,821	86,821	86,821	347,284	54.7%
FACILITY COSTS						
STORAGE LEASES	94	94	94	94	376	0.1%
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%
FACILITY RENT	678	678	678	678	2,713	0.4%
INTERCOMPANY FACILITY CHARGES	10	10	10	10	40	0.0%
UTILITIES	91	91	91	91	365	0.1%
BUILDING REPAIRS AND MAINTENANCE	341	341	341	341	1,362	0.2%
JANITORIAL SERVICES & SUPPLIES	308	308	308	308	1,232	0.2%
WASTE DISPOSAL	31	31	31	31	122	0.0%
	1,553	1,553	1,553	1,553	6,210	1.0%
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	341	341	341	341	1,364	0.2%
EQUIP MAINT/REPAIRS	51	51	51	51	202	0.0%
EQUIP/FURNITURE PURCHASES EXPENSED	110	110	110	110	440	0.1%
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-	-	0.0%
AUTO EXPENSES	12	12	12	12	46	0.0%
AUTO INSURANCE	40	40	40	40	158	0.0%
CELLULAR/PAGER LEASES	339	339	339	339	1,357	0.2%
	892	892	892	892	3,567	0.6%

TRI-CITY MENTAL HEALTH AUTHORITY
 MHSA-INN OPERATING BUDGET
 FISCAL YEAR 2023-24

	FY 23-24 QUARTERS				Budget	% to
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 23-24	Rev
OTHER SERVICES AND SUPPLIES	39	39	39	39	156	0.0%
CONFERENCES, SEMINARS & RELATED COSTS	1	1	1	1	5	0.0%
MILEAGE REIMBURSEMENT	88	88	88	88	353	0.1%
PERSONNEL ADS	896	896	896	896	3,582	0.6%
PROFESSIONAL LIABILITY INSURANCE	1,146	1,146	1,146	1,146	4,583	0.7%
SECURITY EXPENSE	177	177	177	177	706	0.1%
DUES & SUBSCRIPTIONS	112	112	112	112	447	0.1%
OTHER SUPPLIES	7	7	7	7	27	0.0%
PRINTING	-	-	-	-	-	0.0%
CLIENT EXPENSES	-	-	-	-	-	0.0%
LAB COST	-	-	-	-	-	0.0%
AMBULANCE COSTS	-	-	-	-	-	0.0%
OFFICE SUPPLIES	84	84	84	84	334	0.1%
POSTAGE	-	-	-	-	-	0.0%
RECORD DESTRUCTION	-	-	-	-	-	0.0%
TELEPHONE EXPENSES	1,072	1,072	1,072	1,072	4,287	0.7%
COMPUTER SYSTEMS CONNECTIONS	775	775	775	775	3,099	0.5%
DATA PROCESSING/LICENSES	124	124	124	124	494	0.1%
IT RELATED EXPENSES-Consulting/Training	-	-	-	-	-	0.0%
MISCELLANEOUS (OPERATING RESERVE)	110	110	110	110	441	0.1%
	4,629	4,629	4,629	4,629	18,514	2.9%
SPECIFIC COSTS						
PROGRAMS:						
CLIENT SUPPORT COSTS	-	-	-	-	-	0.0%
UNIQUE MHSA PROGRAM RELATED COSTS	88,661	88,661	88,661	88,661	354,642	55.8%
COMMUNITY GRANTS	-	-	-	-	-	0.0%
WET--LEARNING & OUTREACH	-	-	-	-	-	0.0%
PROFESSIONAL SERVICES	44,963	44,963	44,963	44,963	179,853	28.3%
ADMINISTRATIVE:						0.0%
DIRECTORS & OFFICERS INSURANCE	-	-	-	-	-	0.0%
PROFESSIONAL SERVICES	93	93	93	93	370	0.1%
ATTORNEY FEES	1,010	1,010	1,010	1,010	4,041	0.6%
BANK FEES	46	46	46	46	182	0.0%
AUDIT FEES	-	-	-	-	-	0.0%
DEPRECIATION AND AMORT	134,772	134,772	134,772	134,772	539,088	84.9%
	985	985	985	985	3,940	0.6%
TOTAL COSTS	229,651	229,651	229,651	229,651	918,603	144.6%
INCOME (LOSS) FROM OPERATIONS	\$ (70,820)	\$ (70,820)	\$ (70,820)	\$ (70,820)	\$ (283,278)	-44.6%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-INNOVATIONS (INN) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	PADS	Technology Suite	INN ADMIN	TOTAL
REVENUE				
MEDI-CAL ADULT FFP	-	-	-	-
MEDI-CAL CHILDREN FFP	-	-	-	-
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-
REALIGNMENT	-	-	-	-
MEDICARE	-	-	-	-
PATIENT FEES/INSURANCE	-	-	-	-
MHSA FUNDING	519,366	-	73,206	592,572
GRANTS	-	-	-	-
INTEREST INCOME	-	-	42,753	42,753
RENTAL AND OTHER INCOME	-	-	-	-
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-
TOTAL REVENUES	519,366	-	115,959	635,325
EXPENSES				
SALARY COSTS FTE's	<i>0.8</i>	<i>0.8</i>	<i>0.3</i>	<i>1.9</i>
SALARY AND WAGES	122,018	80,040	54,426	256,484
INSURANCE-Health/workers comp/life	19,523	12,799	8,573	40,895
RETIREMENT COSTS	18,303	12,092	8,376	38,771
PAYROLL TAXES	2,440	1,840	1,274	5,554
MISC COSTS	2,440	1,887	1,253	5,580
	164,724	108,658	73,902	347,284
FACILITY COSTS				
STORAGE LEASES	-	-	376	376
MORTGAGE INTEREST (2008 Garey)	-	-	-	-
FACILITY RENT	-	-	2,713	2,713
INTERCOMPANY FACILITY CHARGES	-	-	40	40
UTILITIES	-	302	63	365
BUILDING REPAIRS AND MAINTENANCE	-	1,124	238	1,362
JANITORIAL SERVICES & SUPPLIES	-	924	308	1,232
WASTE DISPOSAL	-	110	12	122
	-	2,460	3,750	6,210
EQUIPMENT COSTS				
EQUIPMENT RENTAL/LEASE	-	943	421	1,364
EQUIP MAINT/REPAIRS	-	136	66	202
EQUIP/FURNITURE PURCHASES EXPENSED	-	328	112	440
AUTO EXPENSES	-	-	46	46
AUTO INSURANCE	-	-	158	158
CELLULAR/PAGER LEASES	-	726	631	1,357
	-	2,133	1,434	3,567

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-INNOVATIONS (INN) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	PADS	Technology Suite	INN ADMIN	TOTAL
OTHER SERVICES AND SUPPLIES	-	-	156	156
CONFERENCES, SEMINARS & RELATED COSTS	-	-	5	5
MILEAGE REIMBURSEMENT	-	193	160	353
PERSONNEL ADS	-	2,526	1,056	3,582
PROFESSIONAL LIABILITY INSURANCE	-	3,270	1,313	4,583
SECURITY EXPENSE	-	-	706	706
DUES & SUBSCRIPTIONS	-	334	113	447
OTHER SUPPLIES	-	7	20	27
PRINTING	-	-	-	-
CLIENT EXPENSES	-	-	-	-
LAB COST	-	-	-	-
AMBULANCE COSTS	-	-	-	-
OFFICE SUPPLIES	-	144	190	334
POSTAGE	-	-	-	-
RECORD DESTRUCTION	-	-	-	-
TELEPHONE EXPENSES	-	2,255	2,032	4,287
COMPUTER SYSTEMS CONNECTIONS	-	46	3,053	3,099
DATA PROCESSING/LICENSES	-	316	178	494
IT RELATED EXPENSES-Consulting/Training	-	-	-	-
MISCELLANEOUS (OPERATING RESERVE)	-	102	339	441
	-	9,193	9,321	18,514
SPECIFIC COSTS				
PROGRAMS:				
CLIENT SUPPORT COSTS	-	-	-	-
UNIQUE MHSA PROGRAM RELATED COSTS	354,642	-	-	354,642
COMMUNITY GRANTS	-	-	-	-
WET--LEARNING & OUTREACH	-	-	-	-
PROFESSIONAL SERVICES	-	179,853	-	179,853
ADMINISTRATIVE:				
DIRECTORS & OFFICERS INSURANCE	-	-	-	-
PROFESSIONAL SERVICES	-	-	370	370
ATTORNEY FEES	-	-	4,041	4,041
BANK FEES	-	-	182	182
AUDIT FEES	-	-	-	-
	354,642	179,853	4,593	539,088
DEPRECIATION AND AMORT	-	874	3,066	3,940
TOTAL COSTS	519,366	303,171	96,066	918,603
INCOME (LOSS) FROM OPERATIONS	\$ -	\$ (303,171)	\$ 19,893	\$ (283,278)

TRI-CITY MENTAL HEALTH AUTHORITY
WORKFORCE, EDUCATION AND TRAINING (WET) PROGRAM

PROPOSED

OPERATING BUDGET

FISCAL YEAR 2023-24

WET PLAN

OPERATING BUDGET

GENERAL & HISTORICAL INFORMATION

As noted previously, the WET Plan includes two programs that were originally approved in fiscal 2012-13 and began implementation in the third quarter of fiscal 2012-13 (refer to the MHSA Program Operations document for program descriptions):

- Learning and Improvement
- Volunteers and Future Employees

The funding for these programs included initial funds that had been previously transferred to the WET Plan from the CSS Plan. At the end of fiscal 2010-11, Tri-City received approximately \$1.1 million of one-time WET MHSA allocations. The original approved WET plan included two programs and through MHSA Annual Updates and annual Stakeholder involvement, the original \$1.1 million were approved and expended over several years by the end of fiscal 2015-16. Once these funds had been exhausted, a new transfer would have been required to continue the existing programs. As such, through MHSA Annual Updates and the Stakeholder process, the amount of \$450 thousand was transferred from the CSS Plan to the WET Plan during the Fiscal Year 2016-17 MHSA Annual Update process, and \$400 thousand during the Fiscal Year 2018-19 Annual Update process. These transfers were recommended and approved to continue the above noted programs and to provide continuing training and hire additional staff to support workforce development. This would also include specialized training needed due to continuing changes in county mental health/specialty mental health and as a result of the Affordable Care Act and Medicaid reform.

WET funds are considered one-time use funds and in order to continue projects within the WET plan, transfers of MHSA CSS Plan funding must be made into the WET Plan. These transfers must first be approved by the stakeholders. Over the years several transfers have been into the WET Plan to continue the programs initially started as noted above and to fund various projects including the following:

- Toward the end of fiscal year 2018-19, an additional transfer of \$600,000 from the CSS Plan to the WET Plan was approved by the stakeholders and the Governing Board. This transfer was made as a result of one-time excess funds identified.
- In November 2021, as an amendment to the MHSA Annual Update FY2021-22, the stakeholders and the Governing Board approved an additional transfer of \$900,000 from the CSS Plan to the WET Plan to fund the following: (1) two new staff positions in WET: Social Media Specialist and Diversity Equity and Inclusion Coordinator and (2) develop a student loan repayment program.
- The most recent transfers approved were included within the Fiscal Year 2022-23 Annual Update in the total amount of \$2.7 million (\$1.7M to CFTN and \$1.0M to WET) and the amount of \$2.5 million (\$500 thousand to WET and \$2.0 million to CFTN) included in the Fiscal Year 2023-24 Annual Update.

REVENUE

Tri-City's operating budget is prepared using the full-accrual method of accounting. Revenues reflected within the operating budget section represent revenues projected to be generated during this budget fiscal year and do not necessarily represent actual inflows of cash, however the Cash Flow Budget would reflect actual cash projected to be collected. Existing funds already on hand would not be reflected as new or generated revenues in the operating budget as transfers made into WET are made using previously recognized or collected MHSA dollars.

1. **MHSA Funding.** MHSA funding represents the amount of funds approved to be expended in fiscal 2023-24. Although there are funds available for spending in the WET Plan, these amounts have already been previously recognized as revenue within the CSS Plan. As noted above, dollars allocated to the WET Plan are one-time funds and in order to continue programs within the WET Plan, funds are required to be transferred in from the CSS plan. Pursuant to the Welfare and Institutions Code Section 5892(b), Counties may use a portion of their CSS funds for WET. Recognition of revenue occurs during the time period in which the funds received were originally approved for use, and as such, the actual expenditures may lag and occur at a later time. As a result, no revenues are expected to be presented in the operating budget for the WET Plan, with the exception of interest revenue projected to be earned in fiscal year 2023-24.
2. **Interest Income.** Interest income is projected based on expected average cash balances.

OPERATING EXPENSES

1. **Salary Costs.** Salary and benefits of \$398 thousand include \$324 thousand of direct provider staff salaries and \$74 thousand of administrative salaries. The costs were based on expected staffing requirements of each program and as considered during the stakeholder's process and included in the WET plan. In addition, salaries and benefits for Tri-City's Executive and Senior Management team and administrative staff who serve the entire Agency, have been allocated to WET programs based on staffing proportions of the Agency and by specific program. The projected staffing is as follows:
 - a. Learning and Improvement – 2.8 FTE for the WET Supervisor, Social Media Specialist and Diversity Equity and Inclusion Coordinator.
 - b. Volunteers & Future Employees– 0.3 FTE includes an allocation of the WET Supervisor.
 - c. Administration-WET – 0.5 FTE includes an allocation of Administrative support which includes an allocation of combined executive and administrative personnel costs.

All other salary costs, including insurance, retirement, and payroll taxes are based on the historical cost as a relationship to base salary and wages.

2. **Facility Costs.** Facility costs represent the allocation of rent and other facility related expenses for the space required for current staffing.
3. **Equipment Costs.** This amount reflects the anticipated costs of equipment, cellular phones and related fees required for each program.

4. **Other Service and Supply Costs.** Other service and supply costs are projected based on Tri-City's best estimates however primarily utilizing past experience. The major costs included in this category are as follows:
 - a. Conference, Seminar & Related Costs. These costs represent anticipated supplemental training of personnel, as well as the requirement of the MHPA administrative staff attending educational and MHPA specific conferences and seminars, in addition to travel costs related to these trainings.
 - b. Personnel Ads. These projected costs are consistent with prior year and are for the recruitment of volunteers and future employees.
 - c. Professional Liability Insurance Costs. These costs represent the anticipated cost of professional liability insurance for staff and are based on Tri-City's historical cost as it relates to salary costs.
 - d. Security Expense. These costs represent the cost of contracting on-site security guards during business hours at various Tri-City locations. The costs are then proportionately allocated to each of the programs by location and staff.
 - e. Computer Systems Connections. The computer systems expenses represent the cost of upgrading hardware and connectivity. This includes the professional fees that may be paid to IT specialists. This would also include fees associated with a risk assessment of IT systems (for both software and hardware) which are included in IT Related Expenses, in order to comply with recent regulations.
 - f. Miscellaneous Costs. This amount is projected for use on operating categories that may be in excess of the original budgeted amount and estimated based on past experience.
5. **Specific Costs.** This includes amounts identified as specific program expenses.
 - a. WET Program Learning and Outreach (Staff Development and Mental Health Recruitment Costs). These costs include costs to 1) train the Tri-City clinical staff and enhance their development in the provision of mental health services, 2) to implement and continue outreach programs to colleges and schools to educate and recruit future community mental health workers, and 3) to fund a student loan repayment program that will pay up to \$7,500 on behalf of staff who have student loan debt upon completion of a year of employment. The student loan repayment program was approved as part of the FY 2022-23 Annual update after going through the stakeholder process and approved by the Governing Board. In addition, these amounts include costs of software updates required for data collection and educational programs.

TRI-CITY MENTAL HEALTH AUTHORITY
 MHSA-WET OPERATING BUDGET
 FISCAL YEAR 2023-24

	FY 23-24 QUARTERS				Budget FY 23-24	% to Rev
	1ST QRT	2ND QRT	3RD QRT	4TH QRT		
REVENUE						
MEDI-CAL ADULT FFP		\$ -	\$ -	\$ -		0.0%
MEDI-CAL CHILDREN FFP		-	-	-		0.0%
MEDI-CAL CHILDREN EPSDT--STATE		-	-	-		0.0%
REALIGNMENT		-	-	-		0.0%
MEDICARE		-	-	-		0.0%
PATIENT FEES/INSURANCE		-	-	-		0.0%
MHSA FUNDING		-	-	-		0.0%
GRANTS		-	-	-		0.0%
INTEREST INCOME	6,323	6,323	6,323	6,323	25,291	100.0%
RENTAL AND OTHER INCOME	-	-	-	-		0.0%
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-		0.0%
TOTAL REVENUES	6,323	6,323	6,323	6,323	25,291	100.0%
EXPENSES						
SALARY COSTS						
SALARY AND WAGES	73,086	73,086	73,086	73,086	292,343	1155.9%
INSURANCE-Health/workers comp/life	11,280	11,280	11,280	11,280	45,120	178.4%
RETIREMENT COSTS	11,595	11,595	11,595	11,595	46,379	183.4%
PAYROLL TAXES	1,764	1,764	1,764	1,764	7,057	27.9%
MISC COSTS	1,741	1,741	1,741	1,741	6,962	27.5%
	99,465	99,465	99,465	99,465	397,861	1573.1%
FACILITY COSTS						
STORAGE LEASES	81	81	81	81	322	1.3%
MORTGAGE INTEREST (2008 Garey)	-	-	-	-		0.0%
FACILITY RENT	594	594	594	594	2,377	9.4%
INTERCOMPANY FACILITY CHARGES	10	10	10	10	40	0.2%
UTILITIES	116	116	116	116	463	1.8%
BUILDING REPAIRS AND MAINTENANCE	415	415	415	415	1,661	6.6%
JANITORIAL SERVICES & SUPPLIES	376	376	376	376	1,505	6.0%
WASTE DISPOSAL	39	39	39	39	156	0.6%
	1,631	1,631	1,631	1,631	6,524	25.8%
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	448	448	448	448	1,791	7.1%
EQUIP MAINT/REPAIRS	61	61	61	61	242	1.0%
EQUIP/FURNITURE PURCHASES EXPENSED	41	41	41	41	165	0.7%
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-		0.0%
AUTO EXPENSES	8	8	8	8	33	0.1%
AUTO INSURANCE	35	35	35	35	140	0.6%
CELLULAR/PAGER LEASES	551	551	551	551	2,205	8.7%
	1,144	1,144	1,144	1,144	4,576	18.1%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-WET OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				Budget	%
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 23-24	to Rev
OTHER SERVICES AND SUPPLIES	28,786	28,786	28,786	28,786	115,144	455.3%
CONFERENCES, SEMINARS & RELATED COSTS	7	7	7	7	29	0.1%
MILEAGE REIMBURSEMENT						
PERSONNEL ADS	615	615	615	615	2,460	9.7%
PROFESSIONAL LIABILITY INSURANCE	1,070	1,070	1,070	1,070	4,279	16.9%
SECURITY EXPENSE	1,302	1,302	1,302	1,302	5,206	20.6%
DUES & SUBSCRIPTIONS	192	192	192	192	766	3.0%
OTHER SUPPLIES	140	140	140	140	560	2.2%
PRINTING	33	33	33	33	132	0.5%
CLIENT EXPENSES						0.0%
LAB COST						0.0%
AMBULANCE COSTS						0.0%
OFFICE SUPPLIES						0.0%
POSTAGE	82	82	82	82	326	1.3%
RECORD DESTRUCTION						0.0%
TELEPHONE EXPENSES						0.0%
COMPUTER SYSTEMS CONNECTIONS	1,195	1,195	1,195	1,195	4,781	18.9%
DATA PROCESSING/LICENSES	695	695	695	695	2,778	11.0%
IT RELATED EXPENSES-Consulting/Training	138	138	138	138	552	2.2%
MISCELLANEOUS (OPERATING RESERVE)						0.0%
	152	152	152	152	606	2.4%
	34,405	34,405	34,405	34,405	137,619	544.1%
SPECIFIC COSTS						
PROGRAMS:						
CLIENT SUPPORT COSTS						0.0%
UNIQUE MHSA PROGRAM RELATED COSTS	62,500	62,500	62,500	62,500	250,000	988.5%
COMMUNITY GRANTS						0.0%
WET--LEARNING & OUTREACH	24,345	24,345	24,345	24,345	97,381	385.0%
PROFESSIONAL SERVICES						0.0%
ADMINISTRATIVE:						
DIRECTORS & OFFICERS INSURANCE						0.0%
PROFESSIONAL SERVICES	128	128	128	128	511	2.0%
ATTORNEY FEES	987	987	987	987	3,947	15.6%
BANK FEES	42	42	42	42	168	0.7%
AUDIT FEES						0.0%
	88,002	88,002	88,002	88,002	352,007	1391.8%
DEPRECIATION AND AMORT						
	732	732	732	732	2,929	11.6%
TOTAL COSTS	225,379	225,379	225,379	225,379	901,516	3564.6%
INCOME (LOSS) FROM OPERATIONS	\$ (219,056)	\$ (219,056)	\$ (219,056)	\$ (219,056)	\$ (876,225)	-3464.6%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-WORKFORCE EDUCATION AND TRAINING (WET) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	VOLUNTEERS				TOTAL
	LEARNING & IMPROVEMENT	& FUTURE EMPLOYEES	WET ADMIN	TOTAL	
REVENUE					
MEDI-CAL ADULT FFP	-	-	-	-	-
MEDI-CAL CHILDREN FFP	-	-	-	-	-
MEDI-CAL CHILDREN EPSDT --STATE	-	-	-	-	-
REALIGNMENT	-	-	-	-	-
MEDICARE	-	-	-	-	-
PATIENT FEES/INSURANCE	-	-	-	-	-
MHSA FUNDING	-	-	-	-	-
CITY SHARE - LA VERNE	-	-	-	-	-
CITY SHARE - CLAREMONT	-	-	-	-	-
CITY SHARE - POMONA	-	-	-	-	-
GRANTS	-	-	-	-	-
INTEREST INCOME	-	-	25,291	-	25,291
RENTAL AND OTHER INCOME	-	-	-	-	-
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-
TOTAL REVENUES	-	-	25,291	-	25,291
EXPENSES					
SALARY COSTS	2.8	0.3	0.5	3.7	
SALARY AND WAGES	214,726	23,405	54,212	292,343	
INSURANCE-Health/workers comp/life	33,050	3,570	8,500	45,120	
RETIREMENT COSTS	34,249	3,754	8,376	46,379	
PAYROLL TAXES	5,212	571	1,274	7,057	
MISC COSTS	5,123	581	1,258	6,962	
	292,360	31,881	73,620	397,861	
FACILITY COSTS					
STORAGE LEASES	-	-	322	-	322
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-
FACILITY RENT	-	-	2,377	-	2,377
INTERCOMPANY FACILITY CHARGES	-	-	40	40	40
UTILITIES	404	-	59	463	463
BUILDING REPAIRS AND MAINTENANCE	1,500	-	161	1,661	1,661
JANITORIAL SERVICES & SUPPLIES	1,232	-	273	1,505	1,505
WASTE DISPOSAL	145	-	11	156	156
	3,281	-	3,243	6,524	6,524
EQUIPMENT COSTS					
EQUIPMENT RENTAL/LEASE	1,258	-	533	1,791	1,791
EQUIP MAINT/REPAIRS	181	-	61	242	242
EQUIP/FURNITURE PURCHASES EXPENSED	72	-	93	165	165
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-	-
AUTO EXPENSES	-	-	33	33	33
AUTO INSURANCE	-	-	140	140	140
CELLULAR/PAGER LEASES	1,621	-	584	2,205	2,205
	3,132	-	1,444	4,576	4,576

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-WORKFORCE EDUCATION AND TRAINING (WET) OPERATING BUDGET BY PROGRAM
FISCAL YEAR 2023-24**

	VOLUNTEERS & FUTURE			
	LEARNING & IMPROVEMENT	EMPLOYEES	WET ADMIN	TOTAL
OTHER SERVICES AND SUPPLIES	115,005	-	139	115,144
CONFERENCES, SEMINARS & RELATED COSTS	26	-	3	29
MILEAGE REIMBURSEMENT	-	2,258	202	2,460
PERSONNEL ADS	3,349	-	930	4,279
PROFESSIONAL LIABILITY INSURANCE	4,360	-	846	5,206
SECURITY EXPENSE	-	-	766	766
DUES & SUBSCRIPTIONS	446	-	114	560
OTHER SUPPLIES	110	-	22	132
PRINTING	-	-	-	-
CLIENT EXPENSES	-	-	-	-
LAB COST	-	-	-	-
AMBULANCE COSTS	-	-	-	-
OFFICE SUPPLIES	193	-	133	326
POSTAGE	-	-	-	-
RECORD DESTRUCTION	-	-	-	-
TELEPHONE EXPENSES	3,008	-	1,773	4,781
COMPUTER SYSTEMS CONNECTIONS	45	-	2,733	2,778
DATA PROCESSING/LICENSES	420	-	132	552
IT RELATED EXPENSES-Consulting/Training	-	-	-	-
MISCELLANEOUS (OPERATING RESERVE)	-	-	606	606
	126,962	2,258	8,399	137,619
SPECIFIC COSTS				
PROGRAMS:				
CLIENT SUPPORT COSTS	-	-	-	-
UNIQUE MHSA PROGRAM RELATED COSTS	-	250,000	-	250,000
COMMUNITY GRANTS	-	-	-	-
WET-LEARNING & OUTREACH	97,381	-	-	97,381
PROFESSIONAL SERVICES	-	-	-	-
ADMINISTRATIVE:				
DIRECTORS & OFFICERS INSURANCE	-	-	-	-
PROFESSIONAL SERVICES	-	-	511	511
ATTORNEY FEES	427	-	3,520	3,947
BANK FEES	-	-	168	168
AUDIT FEES	-	-	-	-
	97,808	250,000	4,199	352,007
DEPRECIATION AND AMORT	263	-	2,666	2,929
TOTAL COSTS	523,806	284,139	93,571	901,516
INCOME (LOSS) FROM OPERATIONS	\$ (523,806)	\$ (284,139)	\$ (68,280)	\$ (876,225)

TRI-CITY MENTAL HEALTH AUTHORITY
CAPITAL FACILITIES & TECHNOLOGY NEEDS PLAN (CFTN)

PROPOSED

OPERATING BUDGET

FISCAL YEAR 2023-24

CAPITAL FACILITIES & TECHNOLOGY NEEDS PLAN (CFTN)

OPERATING BUDGET

GENERAL & HISTORICAL INFORMATION

At the end of fiscal 2010-11, Tri-City had received approximately \$2.7 million of CFTN MHSA allocations to be used for approved Capital Facility and Technology Needs projects. In May 2013 the Governing Board approved the initial CFTN plan which included three Technology Needs projects at a total projected expenditure of approximately \$1.1 million. Implementation of these projects began in June 2013 and were completed by the end of fiscal 2015-16. These initial projects *were*:

- Electronic Health Record Improvement and Systems Enhancement
- Consumer Access to Computing Resources
- Program Monitoring and Service Outcome Support

CFTN funds are considered one-time use funds and in order to continue projects in the CFTN plan, transfers of MHSA CSS Plan must be made into the CFTN Plan. These transfers must first be approved by the stakeholders. Over the years several transfers have been into the CFTN plan to fund various projects which include the following:

- In March 2015 and in July of 2015, the CFTN plan was updated and approved by the Governing Board to utilize the remaining funds of approximately \$1.6 million for the purpose of a new Capital Facilities project which included the purchase and required improvements of an office building for MHSA Administrative Professional staff. This project was completed during fiscal 2015-16.
- As part of the MHSA 2016-17 update, the amount of \$500 thousand was approved for transfer to the CFTN plan from the CSS plan. This amount was to be set aside for future capital facilities and technology projects that would need to first be identified and would be subject to approval by the Stakeholders and Governing Board. Toward the end of fiscal year 2018-19, an additional transfer of \$700,000 from the CSS Plan to the CFTN Plan was approved by the stakeholders and the Governing Board. This transfer was made as a result of one-time excess funds identified that would potentially be used for one-time capital improvement projects.
- During Fiscal 2019-20 two separate projects were identified and proposed as CTFN projects. The two projects including an Electrical Upgrade & Office Remodel, as well the Capital Improvements to the Therapeutic Community Garden. On March 18, 2020, the Governing Board approved Resolution 524, authorizing the expenditure of \$970,968 from its Capital Facilities and Technology Needs (CFTN) plan funds for an Electrical Upgrade project, an Office Space Remodel project and other Capital Improvements. In November of 2021, due to the rising cost of materials and labor, the stakeholders and the Governing Board approved an additional transfer of \$400,000 from the CSS plan to the CFTN plan to ensure the completion of the pre-approved projects from the Fiscal Year 2019-20. Since then, the Electrical Upgrade project at the 2001 N. Garey Avenue has been completed. This budget includes the proposed and approved remaining estimated expenditures to complete the Office Space Remodel as well as the

CFTN Plan
Proposed Operating Budget For The Fiscal Year 2023-24
Assumptions

Improvements to the Therapeutic Community Garden. These projects have begun however continue moving forward and are expected to complete during this fiscal year (2023-24).

- In May of 2021, the Governing Board approved a Capital Facilities & Technology Needs (CFTN) Plan to expend approximately \$300,436 to begin the implementation of a new electronic health record system and a new client referral management platform. These amounts are not included in this budget as these funds were expended in the prior year. This project was been fully incurred and expended during the same fiscal year.
- In June of 2022 the Governing Board Approved a CFTN Plan for IT Infrastructural Needs Plan, Including but Not Limited to Computer Turnover & Network Refresh in the total amount of \$767 thousand. This budget includes \$767 thousand for various technology infrastructure related expenditures.
- In 2023, a transfer was approved within the Fiscal Year 2022-23 Annual Update in the total amount of \$2.7 million (\$1.7M to CFTN and \$1.0M to WET).
- The most recent transfer was approved within the Fiscal Year 2023-24 Annual Update in the total amount of \$2.5 million (\$500 thousand to WET and \$2.0 Million to CFTN). Transfers into the CFTN plan are for the potential future purchase of a building which would require a separate CFTN Plan and approval by the Stakeholders and the Governing Board.

REVENUE

Tri-City's operating budget is prepared using the full-accrual method of accounting. Revenues reflected within the operating budget section represent revenues projected to be generated during this budget fiscal year and do not necessarily represent actual inflows of cash, however the Cash Flow Budget would reflect actual cash projected to be collected and cash projected to be expended. Existing funds already on hand would then not be reflected as new or generated revenues in the operating budget.

1. **MHSA Funding.** MHSA funding represents any additional amount of funds that have been approved for capital facilities or technology related projects. Although there is approximately \$1.0M dollars available to fund CTFN projects, these amounts have already been previously recognized as revenue within the CSS Plan. Recognition of revenue occurs during the time period in which the funds received were originally approved for use, as such, the actual expenditures may lag and occur at a later time. Accordingly, no revenues are reflected within the CFTN plan in this budget, with the exception of interest revenue, and no other revenues are projected to be recognized or collected for fiscal 2023-24.
2. **Interest Income.** Interest income, if any, is projected based on expected average cash balances.

OPERATING EXPENSES

1. **Depreciation Expense.** Depreciation expense is projected to be approximately \$73 thousand which represents the remaining depreciation of equipment and furniture purchased and capitalized over the past years as well as the current projection of depreciation for the recent purchase of the office building and improvements.

CAPITAL EXPENSES

1. **Capital Expenses.** The majority of the expenses that are expected to be incurred to implement the above noted projects are expected to be either capital related or Unique MHSa Program Related and therefore would be presented within the Cash Flow Budget under the caption titled "Cash Flow From Capital and Related Financing Activities" or within the operating expenses section of the Budget. Expenses approximately \$1.0M are reflected under these captions for two main projects currently underway which include the improvements to the Therapeutic Community Garden, the Office Space Remodel and IT Infrastructural needs.

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-CAPITAL FACILITIES & TECHNOLOGY (CFTN) OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				Budget FY 23-24	% to Rev
	1ST QRT	2ND QRT	3RD QRT	4TH QRT		
REVENUE						
MEDI-CAL ADULT FFP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
MEDI-CAL CHILDREN FFP	-	-	-	-	-	0.0%
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	0.0%
REALIGNMENT	-	-	-	-	-	0.0%
MEDICARE	-	-	-	-	-	0.0%
PATIENT FEES/INSURANCE	-	-	-	-	-	0.0%
MHSA FUNDING	-	-	-	-	-	0.0%
GRANTS	-	-	-	-	-	0.0%
INTEREST INCOME	5,979	5,979	5,979	5,979	23,914	100.0%
RENTAL AND OTHER INCOME	-	-	-	-	-	0.0%
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	0.0%
TOTAL REVENUES	5,979	5,979	5,979	5,979	23,914	100.0%
EXPENSES						
SALARY COSTS						
SALARY AND WAGES	-	-	-	-	-	0.0%
INSURANCE-Health/workers comp/life	-	-	-	-	-	0.0%
RETIREMENT COSTS	-	-	-	-	-	0.0%
PAYROLL TAXES	-	-	-	-	-	0.0%
MISC COSTS	-	-	-	-	-	0.0%
FACILITY COSTS						
STORAGE LEASES	-	-	-	-	-	0.0%
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	0.0%
FACILITY RENT	-	-	-	-	-	0.0%
INTERCOMPANY FACILITY CHARGES	-	-	-	-	-	0.0%
UTILITIES	-	-	-	-	-	0.0%
BUILDING REPAIRS AND MAINTENANCE	-	-	-	-	-	0.0%
JANITORIAL SERVICES & SUPPLIES	-	-	-	-	-	0.0%
WASTE DISPOSAL	-	-	-	-	-	0.0%
EQUIPMENT COSTS						
EQUIPMENT RENTAL/LEASE	-	-	-	-	-	0.0%
EQUIP MAINT/REPAIRS	-	-	-	-	-	0.0%
EQUIP/FURNITURE PURCHASES EXPENSED	-	-	-	-	-	0.0%
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-	-	0.0%
AUTO EXPENSES	-	-	-	-	-	0.0%
AUTO INSURANCE	-	-	-	-	-	0.0%
CELLULAR/PAGER LEASES	-	-	-	-	-	0.0%

**TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-CAPITAL FACILITIES & TECHNOLOGY (CFTN) OPERATING BUDGET
FISCAL YEAR 2023-24**

	FY 23-24 QUARTERS				Budget	% to
	1ST QRT	2ND QRT	3RD QRT	4TH QRT	FY 23-24	Rev
OTHER SERVICES AND SUPPLIES	-	-	-	-	-	0.0%
CONFERENCES, SEMINARS & RELATED COSTS	-	-	-	-	-	0.0%
MILEAGE REIMBURSEMENT	-	-	-	-	-	0.0%
PERSONNEL ADS	-	-	-	-	-	0.0%
PROFESSIONAL LIABILITY INSURANCE	-	-	-	-	-	0.0%
SECURITY EXPENSE	-	-	-	-	-	0.0%
DUES & SUBSCRIPTIONS	-	-	-	-	-	0.0%
OTHER SUPPLIES	-	-	-	-	-	0.0%
PRINTING	-	-	-	-	-	0.0%
CLIENT EXPENSES	-	-	-	-	-	0.0%
LAB COST	-	-	-	-	-	0.0%
AMBULANCE COSTS	-	-	-	-	-	0.0%
OFFICE SUPPLIES	-	-	-	-	-	0.0%
POSTAGE	-	-	-	-	-	0.0%
RECORD DESTRUCTION	-	-	-	-	-	0.0%
TELEPHONE EXPENSES	-	-	-	-	-	0.0%
COMPUTER SYSTEMS CONNECTIONS	-	-	-	-	-	0.0%
DATA PROCESSING/LICENSES	-	-	-	-	-	0.0%
IT RELATED EXPENSES-Consulting/Training	-	-	-	-	-	0.0%
MISCELLANEOUS (OPERATING RESERVE)	-	-	-	-	-	0.0%
SPECIFIC COSTS	-	-	-	-	-	0.0%
PROGRAMS:						
CLIENT SUPPORT COSTS	-	-	-	-	-	0.0%
UNIQUE MHSA PROGRAM RELATED COSTS	245,175	245,175	245,175	245,175	980,700	4100.9%
COMMUNITY GRANTS	-	-	-	-	-	0.0%
WET--LEARNING & OUTREACH	-	-	-	-	-	0.0%
PROFESSIONAL SERVICES	-	-	-	-	-	0.0%
ADMINISTRATIVE:						
DIRECTORS & OFFICERS INSURANCE	-	-	-	-	-	0.0%
PROFESSIONAL SERVICES	-	-	-	-	-	0.0%
ATTORNEY FEES	-	-	-	-	-	0.0%
BANK FEES	-	-	-	-	-	0.0%
AUDIT FEES	-	-	-	-	-	0.0%
DEPRECIATION AND AMORT	245,175	245,175	245,175	245,175	980,700	4100.9%
TOTAL COSTS	18,264	18,264	18,264	18,264	73,055	305.5%
INCOME (LOSS) FROM OPERATIONS	263,439	263,439	263,439	263,439	1,053,755	4406.4%
	\$ (257,460)	\$ (257,460)	\$ (257,460)	\$ (257,460)	\$ (1,029,841)	-4306.4%

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-CAPITAL FACILITIES & TECHNOLOGY (CFTN) OPERATING BUDGET BY PROJECT
FISCAL YEAR 2023-24

	CAPITAL IMPROVEMENT					TOTAL
	ELECTRICAL UPGRADE & OFFICE SPACE REMODEL	IMPROVEMENT TO THERAPEUTIC COMMUNITY GARDEN	IT Infrastructural Needs Plan	ADMINISTRATIVE PROFESSIONAL BUILDING	CTFN ADMIN	
REVENUE						
MEDI-CAL ADULT FFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDI-CAL CHILDREN EPSDT--STATE	-	-	-	-	-	-
REALIGNMENT	-	-	-	-	-	-
MEDICARE	-	-	-	-	-	-
PATIENT FEES/INSURANCE	-	-	-	-	-	-
MHSA FUNDING	-	-	-	-	-	-
CITY SHARE - LA VERNE	-	-	-	-	-	-
CITY SHARE - CLAREMONT	-	-	-	-	-	-
CITY SHARE - POMONA	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-
INTEREST INCOME	-	-	-	-	-	-
RENTAL AND OTHER INCOME	-	-	-	-	23,914	23,914
ESTIMATED M/C DENIALS/DISALLOWANCE	-	-	-	-	-	-
TOTAL REVENUES					23,914	23,914
EXPENSES						
SALARY COSTS FTE's	-	-	-	-	-	-
SALARY AND WAGES	-	-	-	-	-	-
INSURANCE-Health/workers comp/life	-	-	-	-	-	-
RETIREMENT COSTS	-	-	-	-	-	-
PAYROLL TAXES	-	-	-	-	-	-
MISC COSTS	-	-	-	-	-	-
FACILITY COSTS	-	-	-	-	-	-
STORAGE LEASES	-	-	-	-	-	-
MORTGAGE INTEREST (2008 Garey)	-	-	-	-	-	-
FACILITY RENT	-	-	-	-	-	-
INTERCOMPANY FACILITY CHARGES	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
BUILDING REPAIRS AND MAINTENANCE	-	-	-	-	-	-
JANITORIAL SERVICES & SUPPLIES	-	-	-	-	-	-
WASTE DISPOSAL	-	-	-	-	-	-
EQUIPMENT COSTS	-	-	-	-	-	-
EQUIPMENT RENTAL/LEASE	-	-	-	-	-	-
EQUIP MAINT/REPAIRS	-	-	-	-	-	-
EQUIP/FURNITURE PURCHASES EXPENSED	-	-	-	-	-	-
INTERCOMPANY EQUIP/SOFTWARE CHARGES (INCOME)	-	-	-	-	-	-
AUTO EXPENSES	-	-	-	-	-	-
AUTO INSURANCE	-	-	-	-	-	-
CELLULAR/PAGER LEASES	-	-	-	-	-	-

TRI-CITY MENTAL HEALTH AUTHORITY
MHSA-CAPITAL FACILITIES & TECHNOLOGY (CFTN) OPERATING BUDGET BY PROJECT
FISCAL YEAR 2023-24

	CAPITAL IMPROVEMENT					
	ELECTRICAL UPGRADE & OFFICE SPACE REMODEL	TO THERAPEUTIC COMMUNITY GARDEN	IT Infrastructural Needs Plan	ADMINISTRATIVE PROFESSIONAL BUILDING	CTFN ADMIN	TOTAL
OTHER SERVICES AND SUPPLIES	-	-	-	-	-	-
CONFERENCES, SEMINARS & RELATED COSTS	-	-	-	-	-	-
MILEAGE REIMBURSEMENT	-	-	-	-	-	-
PERSONNEL ADS	-	-	-	-	-	-
PROFESSIONAL LIABILITY INSURANCE	-	-	-	-	-	-
SECURITY EXPENSE	-	-	-	-	-	-
DUES & SUBSCRIPTIONS	-	-	-	-	-	-
OTHER SUPPLIES	-	-	-	-	-	-
PRINTING	-	-	-	-	-	-
CLIENT EXPENSES	-	-	-	-	-	-
LAB COST	-	-	-	-	-	-
AMBULANCE COSTS	-	-	-	-	-	-
OFFICE SUPPLIES	-	-	-	-	-	-
POSTAGE	-	-	-	-	-	-
RECORD DESTRUCTION	-	-	-	-	-	-
TELEPHONE EXPENSES	-	-	-	-	-	-
COMPUTER SYSTEMS CONNECTIONS	-	-	-	-	-	-
DATA PROCESSING/LICENSES	-	-	-	-	-	-
IT RELATED EXPENSES-Consulting/Training	-	-	-	-	-	-
MISCELLANEOUS (OPERATING RESERVE)	-	-	-	-	-	-
SPECIFIC COSTS	-	-	-	-	-	-
PROGRAMS:	-	-	-	-	-	-
CLIENT SUPPORT COSTS	-	-	-	-	-	-
UNIQUE MHSA PROGRAM RELATED COSTS	260,000	465,000	255,700	-	-	980,700
COMMUNITY GRANTS	-	-	-	-	-	-
WET--LEARNING & OUTREACH	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-
ADMINISTRATIVE:	-	-	-	-	-	-
DIRECTORS & OFFICERS INSURANCE	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-
ATTORNEY FEES	-	-	-	-	-	-
BANK FEES	-	-	-	-	-	-
AUDIT FEES	-	-	-	-	-	-
DEPRECIATION AND AMORT	260,000	465,000	255,700	-	-	980,700
TOTAL COSTS	-	-	-	73,055	-	73,055
INCOME (LOSS) FROM OPERATIONS	260,000	465,000	255,700	73,055	-	1,053,755
	\$ (260,000)	\$ (465,000)	\$ (255,700)	\$ (73,055)	\$ 23,914	\$ (1,029,841)



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023
TO: Governing Board of Tri-City Mental Health Authority
FROM: Rimmi Hundal, Executive Director
SUBJECT: Executive Director's Monthly Report

988 UPDATE

One year after the rollout of the 988 Suicide & Crisis Lifeline, the U.S. Department of Health and Human Services (HHS) and its 988 Lifeline partners announced the addition of Spanish text and chat services. Specialized services for LGBTQI+ youth and young adults were also added earlier this month, following a successful pilot test. The 988 Lifeline also uses Language line Solutions to provide translation services in more than 240 additional languages. Later this year, the 988 Lifeline plans to add video phone service to better serve deaf and hard of hearing individuals.

CESAR CHAVEZ PROJECT/CHRIS HARTMIRE PLAZA

On June 28, 2023, Chris Hartmire Plaza broke ground in the empty lot on the corner of N. East End Ave. and E. Holt Ave., in Pomona. Tri City Mental Health has partnered with Cesar Chavez Foundation for this 90-unit affordable housing project named after Reverend Chris Hartmire. Reverend Hartmire, a Claremont resident and activist, originally worked alongside Cesar Chavez and helped found the United Farm Workers. This project will be built on top of a 6,756 square-foot health clinic, run by East Valley Community Health Center, to provide easy medical, dental, and mental health. Of the 90 units, Tri-City will provide supportive services to 9 units funded through No Place Like Home with services including but not limited to: case management with individual services plans, peer support activities, mental health care, substance use services, support in linking to physical health care, benefits counseling and advocacy and basic housing retention skills.

TRI-CITY STUDENT LOAN REPAYMENT PROGRAM

In June of 2022, Tri-City launched the first round of the Student Loan Repayment Program. Funded through the Workforce Education and Training plan, this employee retention strategy is intended to support our Tri-City staff who have student loans they are currently in the process of paying off. Any full-time staff member within the Tri-City system of care is eligible to apply for a limited number of payments toward paying off their student loans. To receive the funds, awardees must maintain employment with Tri-City Mental Health for 12 months from July 1st through June 30th, 2023. Twenty-eight staff received awards of up to \$7,500.00 for a total of approximately \$193,000.00. Applications are now being accepted for another round of awards beginning July 2023.

IT UPDATES

The Tri-City IT department has been actively engaged in various initiatives throughout the month to support the organization's seamless operation of critical systems. Our team focuses on three key areas: infrastructure management, data security, and technology enhancements.

In terms of infrastructure management, we have continued to monitor and maintain the performance and availability of our network, servers, and databases. Proactive measures were taken to optimize system performance, minimize downtime, and address any potential bottlenecks.

Data security remains a top priority, and our team dedicated efforts to enhance our cybersecurity measures. Patch management and software updates are routinely implemented, and staff awareness communications are broadcast frequently to promote a culture of security and ensure compliance with regulatory requirements.

Our desk phone upgrade project is nearing completion. Within the next few weeks, all conference rooms, break rooms, and common areas will have a phone which can be used to easily page or broadcast emergency messaging when needed.

HUMAN RESOURCES

Staffing – Month Ending June 2023

- Total Staff is 206 full-time and 8 part-time plus 35 full-time vacancies 2 part-time vacancies for a total of 247 positions.
- There were 3 new hires in June 2023.
- There were 3 separations in June 2023.

Workforce Demographics in June 2023

- American Indian or Alaska Native = 0.47%
- Asian = 9.81%
- Black or African American = 8.41%
- Hispanic or Latino = 62.15%
- Native Hawaiian or Other Pacific Islander = 0.47%
- Other = 0.93%
- Two or more races = 1.87%
- White or Caucasian = 15.89%

Positions Posted in June 2023

- Administrative Assistant – MHSA (1 FTE) *1 hire pending*
- Clinical Supervisor – Wellness Center (1 FTE)
- Clinical Therapist I/II – Child & Family (1 FTE)
- Clinical Therapist II – PACT (1 FTE)
- Clinical Therapist I/II TCG (1 FTE)
- Clinical Wellness Advocate I/II/III (1.5 FTEs)
- Clinical Wellness Advocate I - Innovation (1 FTE)
- Community Navigator (2 FTEs)
- Human Resources Assistant (1 FTE)
- Mental Health Specialist – Adult (2 FTEs)
- Mental Health Specialist – Children’s (2 FTEs)
- Program Support Assistant I/II – Medical Records (3 FTEs)
- Program Support Assistant I/II – Children’s (1 FTE)
- Program Support Assistant II – Crisis Support (1 FTE)
- Program Support Assistant I-IV Access to Care (1 FTE) *1 hire pending*
- Program Support Supervisor (1 FTE)
- Psychiatrist I/II (1.5 FTEs) *1 hire pending*
- Quality Improvement Specialist II (1 FTE)
- Senior Mental Health Specialist – Housing (1 FTE) *1 hire pending*

COVID-19 UPDATE

As June 30, 2023, Tri-City staff have a vaccination compliancy rate of 87.85% with a vaccination booster compliancy rate of 94.68%.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance and Facilities Report

UNAUDITED FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2023 (2023 FISCAL YEAR-TO-DATE):

The financials presented herein are the PRELIMINARY and unaudited financial statements for the eleven months ended May 31, 2023. These financial statements include the activities from the clinical outpatient operations as well as activities from the implemented MHSA programs under the CSS, PEI, INN, WET and CFTN plans.

The increase in net position (income) is approximately \$4.8 million. MHSA operations accounted for approximately \$5.0 million of the increase, which is primarily the result of recognizing MHSA revenues on hand at the beginning of the fiscal year. MHSA non-operating revenues are reflected when MHSA funds have been received and are eligible to be spent.

During fiscal 2022, Tri-City received MHSA funding of approximately \$17.3 million, of which \$13.3 million were for approved programs for fiscal 2022-23 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2022. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2022-23. In addition, during this current fiscal year 2022-23 approximately \$10.9 million in MHSA funding has been received of which \$3.1 million was identified and approved for use in the current fiscal year 2022-23 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately \$16.4 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent as the timing of expenditures will lag behind the timing of revenue recognition.

The decrease in net position of approximately \$197 thousand is from Clinic outpatient operations, which is the result of operations for the eleven months ended May 31, 2023 which includes one-time payments made at the beginning of the year.

The total cash balance at May 31, 2023 was approximately \$40.4 million, which represents an increase of approximately \$100 thousand from the June 30, 2022 balance

of approximately \$40.3 million. Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had an increase in cash of approximately \$1.6 million primarily as a result timing of cash receipts from LADMH. MHSA operations reflected a decrease in cash of approximately \$1.5 million, after excluding intercompany receipts or costs resulting from clinic operations. Total decrease in MHSA cash reflects the receipt of approximately \$10.9 million in MHSA funds offset by the use of cash for MHSA operating activities.

Approximately \$8.3 million in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the eleven months ended May 31, 2023. An additional \$1.1 million has been received through July 11, 2023.

UPCOMING, CURRENT EVENTS & UPDATES

Overall Financial Update

We continue to closely monitor for any new developments, changes to legislation and updated revenue projections from CBHDA, specifically with regard to MHSA as these revenues continually fluctuate and as evidenced in the past and as noted below, significantly differ from original projections as well as revised projections. As such, planning appropriately to ensure we meet the needs of our community, and having the ability to make changes as we go will be necessary in the upcoming years, especially if projections wind up being significantly different than currently projected.

MHSA Reform

As the Executive Director has previously mentioned in her staff report, the Governor has announced a proposed ballot measure that would dramatically alter MHSA funding and how Counties, along with Tri-City, would be required to utilize it. Although Management is closely following this proposal, its development, and potential requirements that come with it, as of today we are still compelled to follow the existing legislative requirements of MHSA law as it exists today.

CalAIM

Tri-City management continues to follow information updates by CBHDA and LA DMH to prepare for the transition away from a cost reimbursement model to a fee-for-service model that will be resulting from the CalAIM initiatives. Rates have now been set by the State and thus provided to the Counties. LA DMH has since provided all of their providers rates which will be effective July 1, 2023. Tri-City, along with all providers in LA County, are awaiting new contracts/amendments and final instructions on billing mechanics. Necessary changes that will need to be applied to our EHR in order to bill properly as of the effective date are in draft form and are now being tested.

Governing Board of Tri-City Mental Health
Rimmi Hundal, Executive Director
Monthly Staff Report of Diana Acosta
July 19, 2023
Page 3

Management is awaiting certain system enhancements from our EHR that are not expected to be available until after the implementation date. Although the pending system enhancements will delay our ability to bill, it will not prevent us from capturing the underlying billable data and as such as soon as the necessary enhancements are made and tested, billing will proceed as usual. As always, Management will continue to keep the Board informed of progress or any changes we may see along the way.

MHSA Funding Updates:

Estimated Current Cash Position – The following table represents a brief summary of the estimated (unaudited) current MHSA cash position as of the eleven months ended May 31, 2023.

	MHSA
Cash at May 31, 2023	\$ 30,813,387
Receivables net of Reserve for Cost Report Settlements	1,323,776
Prudent Reserves	(2,200,000) *
Estimated Remaining Expenses for Operations FY 2022-23	(1,172,002) **
Reserved for future CFTN Projects including approved TCG Project	(3,116,487)
Total Estimated Adjustments to Cash	<u>(5,164,713)</u>
Estimated Available at June 30, 2023	<u>\$ 25,648,674</u>
Estimated remaining MHSA funds to be received in FY 2022-23	\$ 539,113

* Per SB 192, Prudent Reserves are required to be maintained at an amount that does not exceed 33% of the average Community Services and Support (CSS) revenue received for the fund, in the preceding 5 years.

** Estimated based on to-date actuals projected through year-end June 30, 2023, net of estimated Medi-Cal revenue, including actual and estimated amounts to year end 06/30/2023.

MHSA Expenditures and MHSA Revenue Receipts –

FY 2022-23 Revenue Projections: Based on prior estimates disclosed by CBHDA, the amount of MHSA funds projected to be collected in Fiscal year 2022-23 were expected to be in line with what was just collected in the prior year (FY 21-22). As such the Fiscal Year 2022-23 Operating budget reflected a projected collection of MHSA funds totaling \$16.5 million. As noted in the table below, the original estimate of new funding in the MHSA Annual Update was \$11.1 million. As a result of the updated projections the MHSA

Governing Board of Tri-City Mental Health
Rimmi Hundal, Executive Director
Monthly Staff Report of Diana Acosta
July 19, 2023
Page 4

revenues are now expected to be \$5.3 million higher, however as of May of 2023 MHSA collections to date were \$10.9 million and expected to reach \$12.2 million an average of 25% less than the prior year or closer to the original estimate of \$11.2.

For reference the following is the information included in the MHSA Fiscal Year 2022-23 Annual Update:

<u>Included in the MHSA FY 2022-23 Annual Update</u>	<u>CSS</u>	<u>PEI</u>	<u>Innovation</u>	<u>WET</u>	<u>CFTN</u>	<u>Totals</u>
Estimated Unspent Funds from Prior Fiscal Years	19,278,875	4,037,204	2,697,746	808,952	1,529,299	28,352,076
Transfers in FY 2022-23	(2,700,000)	-	-	1,000,000	1,700,000	-
Available for Spending in FY 2022-23	16,578,875	4,037,204	2,697,746	1,808,952	3,229,299	28,352,076
Approved Plan Expenditures during FY 2022-23	(12,284,819)	(2,221,506)	(253,661)	(857,628)	(703,183)	(16,320,797)
Remaining Cash before new funding	4,294,056	1,815,698	2,444,085	951,324	2,526,116	12,031,279
Estimated New FY 2022-23 Funding	8,477,602	2,119,401	557,737	-	-	11,154,740
Estimated Ending FY 2022-23 Unspent Fund Balance	12,771,658	3,935,099	3,001,822	951,324	2,526,116	23,186,019

The following information demonstrates the changes in estimated cash flow between the MHSA Fiscal Year 2022-23 Annual Update and the Fiscal Year 2022-23 Operating Budget:

<u>Included in the FY 2022-23 Operating Budget</u>	<u>CSS</u>	<u>PEI</u>	<u>Innovation</u>	<u>WET</u>	<u>CFTN</u>	<u>Totals</u>
* Updated Funding Estimates for FY 2022-23	12,519,290	3,129,822	823,638	-	-	16,472,750
Original Estimated New FY 2022-23 Funding	8,477,602	2,119,401	557,737	-	-	11,154,740
Difference/Projected Additional Funding	4,041,688	1,010,421	265,901	-	-	5,318,010

* These amounts were estimated prior to winter storms in December of 2022. The most recent updates as of March of 2023, total actual collections will be closer to \$12.2 million.

FY 2023-24 Revenue Projections: Based on the announcement that tax filings were delayed until October of 2023, for individuals living in Counties who experienced weather related States of Emergency, the latest projections indicated that MHSA receipts may be as low as \$12.2 million for fiscal year 2022-23. Just like we experienced in fiscal year 2019-20, cash receipts were anticipated to decrease significantly for the remainder of the fiscal year while a significant increase in cash receipts will occur in fiscal year 2023-24. For reference, the following table is an excerpt from the Fiscal Year 2023-24 MHSA Three-Year Plan.

<u>Included in the MHSA FY 2023-24 Annual Update</u>	<u>CSS</u>	<u>PEI</u>	<u>Innovation</u>	<u>WET</u>	<u>CFTN</u>	<u>Totals</u>
Estimated Unspent Funds from Prior Fiscal Years	16,544,291	4,476,308	3,107,758	1,431,643	2,729,658	28,289,658
Transfers in FY 2023-24	(2,500,000)	-	-	500,000	2,000,000	-
Available for Spending in FY 2023-24	14,044,291	4,476,308	3,107,758	1,931,643	4,729,658	28,289,658
Approved Plan Expenditures during FY 2023-24	(11,610,705)	(3,336,066)	(980,883)	(611,680)	(980,700)	(17,520,034)
Remaining Cash before new funding	2,433,586	1,140,242	2,126,875	1,319,963	3,748,958	10,769,624
Estimated New FY 2023-24 Funding	11,178,109	2,794,527	735,402	-	-	14,708,038
Estimated Ending FY 2023-24 Unspent Fund Balance	13,611,695	3,934,769	2,862,277	1,319,963	3,748,958	25,477,662
* Updated Funding Estimates for FY 2023-24 <i>(as of June of 2023)</i>	17,998,168	4,499,542	1,184,090	-	-	23,681,800

Governing Board of Tri-City Mental Health
Rimmi Hundal, Executive Director
Monthly Staff Report of Diana Acosta
July 19, 2023
Page 5

MHSA Reversion Update:

Each remittance of MHSA funds received by Tri-City is required to be allocated among three of the five MHSA Plans, CSS, PEI and INN. The first 5% of each remittance is required to be allocated to INN and the remaining amount is split 80% to CSS and 20% to PEI. While the WET and the CapTech plans have longer time frames in which to spend funds (made up of one-time transfers into these two plans), the CSS, PEI and INN plans have three years.

Amounts received within the CSS and PEI programs must be expended within three years of receipt. INN amounts must be programmed in a plan that is approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC) within three years of receipt, and spent within the life of the approved program. Upon approval by the MHSOAC, INN amounts have to be expended within the life of said program. For example, a program approved for a five-year period will have the full five years associated with the program to expend the funds.

The following tables are **excerpts** from DHCS's annual reversion report received by Tri-City on March 16, 2023 based on the fiscal year 2021-22 Annual Revenue and Expense Report (ARER):

CSS reversion waterfall analysis

CSS amounts received						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
	8,676,848	8,797,914	9,293,482	11,824,329	13,252,035	51,844,608
Expended in:						
2017-18	-					-
2018-19	939,014	-				939,014
2019-20	7,737,834	1,290,269	-			9,028,103
2020-21		7,507,645	3,546,924	-		11,054,569
2021-22			5,746,558	3,676,533	-	9,423,091
2022-23 **				8,147,796	4,137,023	12,284,819
2023-24 **					11,610,705	11,610,705
Total Expended	8,676,848	8,797,914	9,293,482	11,824,329	15,747,728	54,340,301
Unspent Balance	-	-	-	-	(2,495,693)	(2,495,693)

**=Planned Expenditures based on approved MHSA Plan

Governing Board of Tri-City Mental Health
Rimmi Hundal, Executive Director
Monthly Staff Report of Diana Acosta
July 19, 2023
Page 6

PEI reversion waterfall analysis

PEI amounts received						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
	2,145,788	2,119,324	2,173,110	2,948,240	3,311,501	12,697,963
Expended in:						
2017-18	726,119					726,119
2018-19	1,419,669	387,017				1,806,686
2019-20	-	1,644,825	-			1,644,825
2020-21		87,482	1,746,984	-		1,834,466
2021-22			426,126	1,309,696	-	1,735,822
2022-23 **				1,638,544	582,962	2,221,506
2023-24 **					3,336,066	3,336,066
Total Expended	2,145,788	2,119,324	2,173,110	2,948,240	3,919,028	13,305,490
Unspent Balance	-	-	-	-	(607,527)	(607,527)

**=Planned Expenditures based on approved MHSA Plan

The following table was copied directly from latest information provided from DHCS

INN reversion waterfall analysis

INN	Reallocated						Applied Expenditure ↓
	AB 114	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Encumbered Unspent Funds ³	799,187	302,889	580,471	550,879	784,114	245,707	
Unencumbered Unspent Funds ⁴	-	-	-	-	-	628,829	
Unspent Balance	799,187	302,889	580,471	550,879	784,114	874,536	
Encumbered Funds Starting Balance →	799,187	302,889	580,471	550,879	784,114	245,707	
Applied Expenditure ↓							
FY 15-16							-
FY 16-17							-
FY 17-18	304,376	-					304,376
FY 18-19	131,206	-					131,206
FY 19-20	355,393	-					355,393
FY 20-21	8,212	-					8,212
FY 21-22	-	302,889	25,035				327,924
FY 22-23	-	-	TBD	TBD	TBD	TBD	-
Encumbered Unspent Balance →	-	-	555,436	550,879	784,114	245,707	

FACILITIES DEPARTMENT

The Community Garden Upgrades

A contract for the completion of this project has now been approved and was awarded during the March 15, 2023 Governing Board Meeting. This project is targeted to be substantially complete closer to the end of the summer with the exception of some phases that may experience delays as a result of lead times and availability of materials required for the project. As reported previously, construction broke ground on Wednesday, May 10, 2023 and continual progress is being made. Various staff have expressed their excitement about the progress and the project in general and look forward to seeing its completion.

Office Space Remodel at the MHSA Administrative Building

Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. This project had previously been temporarily on hold until the Electrical/Power Upgrade Project was complete as this project was also being performed in the same building. The Electrical was completed in November of 2022. At the November of 2022 Governing Board Meeting an agreement with a design firm was approved for services to include the preparation of formal plans, a Request For Proposal (RFP) and construction management for the project. Over the past several months our Facilities Department worked closely with the design firm on finalizing the design and formal plans which were submitted to the City for Approval. The plans have now been approved by the City of Pomona and the next phase will be soliciting contractors through an RFP process and possibly bringing forth a contract for approval to the September or October 2023 Governing Board Meeting. Target date of project completion will be closer to end of calendar year 2023 or early 2024.

Attachments

Attachment 10-A: May 31, 2023 Unaudited Monthly Financial Statements

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION**

	AT MAY 31, 2023			AT JUNE 30, 2022		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Current Assets						
Cash	\$ 9,583,897	\$ 30,813,387	\$ 40,397,284	\$ 8,386,759	\$ 31,504,790	\$ 39,891,549
Accounts receivable, net of reserve for uncollectible accounts \$677,411 at May 31, 2023 and \$619,443 at June 30, 2022	4,272,130	4,158,134	8,430,264	5,136,408	3,180,707	8,317,115
Total Current Assets	<u>13,856,027</u>	<u>34,971,521</u>	<u>48,827,548</u>	<u>13,523,167</u>	<u>34,685,497</u>	<u>48,208,664</u>
Property and Equipment						
Land, building, furniture and equipment	3,819,616	9,902,155	13,721,771	3,828,354	9,742,614	13,570,969
Accumulated depreciation	(2,749,805)	(4,509,599)	(7,259,404)	(2,646,773)	(4,138,210)	(6,784,983)
Rights of use assets-building lease	1,753,343	-	1,753,343	1,753,343	-	1,753,343
Accumulated amortization-building lease	(1,007,564)	-	(1,007,564)	(679,424)	-	(679,424)
Total Property and Equipment	<u>1,815,590</u>	<u>5,392,556</u>	<u>7,208,146</u>	<u>2,255,500</u>	<u>5,604,404</u>	<u>7,859,904</u>
Other Assets						
Deposits and prepaid assets	89,962	315,128	405,090	38,122	508,459	546,581
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	<u>1,905,551</u>	<u>8,507,684</u>	<u>10,413,236</u>	<u>2,293,622</u>	<u>8,912,863</u>	<u>11,206,485</u>
Total Assets	<u>15,761,578</u>	<u>43,479,205</u>	<u>59,240,783</u>	<u>15,816,789</u>	<u>43,598,360</u>	<u>59,415,149</u>
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	2,857,668	-	2,857,668	2,857,668	-	2,857,668
Total Deferred Outflows of Resources	<u>2,857,668</u>	<u>-</u>	<u>2,857,668</u>	<u>2,857,668</u>	<u>-</u>	<u>2,857,668</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,619,246</u>	<u>\$ 43,479,205</u>	<u>\$ 62,098,451</u>	<u>\$ 18,674,457</u>	<u>\$ 43,598,360</u>	<u>\$ 62,272,817</u>
LIABILITIES						
Current Liabilities						
Accounts payable	557,038	(2,318)	554,721	274,821	24,000	298,821
Accrued payroll liabilities	705,670	145,983	851,653	133,589	166,355	299,944
Accrued vacation and sick leave	602,653	1,049,033	1,651,686	619,557	1,052,384	1,671,941
Deferred revenue	183,311	-	183,311	41,584	-	41,584
Reserve for Medi-Cal settlements	3,402,590	2,834,358	6,236,948	3,482,631	2,894,431	6,377,063
Current portion of lease liability	29,831	-	29,831	357,971	-	357,971
Total Current Liabilities	<u>5,481,093</u>	<u>4,027,056</u>	<u>9,508,149</u>	<u>4,910,153</u>	<u>4,137,171</u>	<u>9,047,324</u>
Intercompany Acct-MHSA & TCMH	311,054	(311,054)	-	740,003	(740,003)	-
Long-Term Liabilities						
Mortgages and home loan	-	29,435	29,435	-	29,435	29,435
Lease liability	715,948	-	715,948	715,948	-	715,948
Net pension liability	2,302,724	-	2,302,724	2,302,724	-	2,302,724
Unearned MHSA revenue	-	8,890,708	8,890,708	-	1,027,955	1,027,955
Total Long-Term Liabilities	<u>3,018,672</u>	<u>8,920,143</u>	<u>11,938,815</u>	<u>3,018,672</u>	<u>1,057,390</u>	<u>4,076,062</u>
Total Liabilities	<u>8,810,819</u>	<u>12,636,145</u>	<u>21,446,964</u>	<u>8,668,828</u>	<u>4,454,558</u>	<u>13,123,386</u>
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	13,290,168	13,290,168
Deferred inflows related to the net pension liability	2,010,157	-	2,010,157	2,010,157	-	2,010,157
Total Deferred Inflow of Resources	<u>2,010,157</u>	<u>-</u>	<u>2,010,157</u>	<u>2,010,157</u>	<u>13,290,168</u>	<u>15,300,325</u>
NET POSITION						
Invested in capital assets net of related debt	1,069,811	5,363,121	6,432,932	1,181,581	5,574,969	6,756,550
Restricted for MHSA programs	-	25,450,504	25,450,504	-	20,249,230	20,249,230
Unrestricted	6,728,459	29,435	6,757,894	6,813,891	29,435	6,843,326
Total Net Position	<u>7,798,270</u>	<u>30,843,060</u>	<u>38,641,330</u>	<u>7,995,472</u>	<u>25,853,634</u>	<u>33,849,106</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 18,619,246</u>	<u>\$ 43,479,205</u>	<u>\$ 62,098,451</u>	<u>\$ 18,674,457</u>	<u>\$ 43,598,360</u>	<u>\$ 62,272,817</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ELEVEN MONTHS ENDED MAY 31, 2023 AND 2022

	PERIOD ENDED 5/31/23			PERIOD ENDED 5/31/22		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
OPERATING REVENUES						
Medi-Cal FFP	\$ 2,702,080	\$ 3,913,162	\$ 6,615,242	\$ 3,146,379	\$ 2,646,953	\$ 5,793,332
Medi-Cal FFP FYE Prior Year	295,388	310,501	605,889	15,205	45,779	60,984
Medi-Cal SGF-EPSDT	736,906	936,419	1,673,324	735,843	640,317	1,376,159
Medi-Cal SGF-EPSDT Prior Year	109,890	116,587	226,477	35,501	19,746	55,246
Medicare	15,542	4,974	20,516	12,460	4,890	17,350
Contracts	17,500	27,437	44,937	20,000	26,314	46,314
Patient fees and insurance	1,000	181	1,181	978	227	1,204
Rent income - TCMH & MHSA Housing	10,164	61,636	71,800	11,900	67,641	79,541
Other income	728	263	991	828	286	1,114
Net Operating Revenues	3,889,197	5,371,159	9,260,355	3,979,094	3,452,152	7,431,247
OPERATING EXPENSES						
Salaries, wages and benefits	7,254,016	13,568,628	20,822,644	7,338,541	10,768,959	18,107,500
Facility and equipment operating cost	554,347	1,100,423	1,654,770	769,969	1,259,074	2,029,043
Client lodging, transportation, and supply expense	92,977	467,072	560,049	165,820	601,657	767,478
Depreciation & amortization	256,694	586,847	843,541	151,544	391,503	543,047
Other operating expenses	546,892	1,682,980	2,229,872	600,959	1,119,976	1,720,935
Total Operating Expenses	8,704,926	17,405,951	26,110,876	9,026,833	14,141,170	23,168,003
OPERATING (LOSS) (Note 1)	(4,815,729)	(12,034,792)	(16,850,521)	(5,047,739)	(10,689,018)	(15,736,757)
Non-Operating Revenues (Expenses)						
Realignment	4,138,578	-	4,138,578	4,145,868	-	4,145,868
Contributions from member cities & donations	70,236	-	70,236	70,236	-	70,236
MHSA funds	-	16,352,860	16,352,860	-	11,870,954	11,870,954
Grants and Contracts	300,705	-	300,705	399,518	-	399,518
Interest Income	109,008	671,358	780,366	16,201	80,062	96,263
Interest expense	-	-	-	(11,840)	-	(11,840)
Gain/(Loss) on disposal of assets	-	-	-	(2,571)	4,203	1,632
Total Non-Operating Revenues (Expense)	4,618,527	17,024,218	21,642,744	4,617,412	11,955,219	16,572,631
INCOME (LOSS)	(197,202)	4,989,426	4,792,224	(430,327)	1,266,201	835,874
INCREASE (DECREASE) IN NET POSITION	(197,202)	4,989,426	4,792,224	(430,327)	1,266,201	835,874
NET POSITION, BEGINNING OF YEAR	7,995,472	25,853,634	33,849,106	4,787,631	24,868,486	29,656,117
NET POSITION, END OF MONTH	\$ 7,798,270	\$ 30,843,060	\$ 38,641,330	\$ 4,357,304	\$ 26,134,687	\$ 30,491,991

(Note 1) "Operating Loss" reflects loss before realignment funding and MHSA funding which is included in non-operating revenues.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF CASH FLOWS
ELEVEN MONTHS ENDED MAY 31, 2023 AND 2022**

	PERIOD ENDED 5/31/23			PERIOD ENDED 5/31/22		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	\$ 3,948,353	\$ 4,513,932	\$ 8,462,285	\$ 3,969,230	\$ 3,737,041	\$ 7,706,271
Cash payments to suppliers and contractors	(1,096,754)	(3,278,685)	(4,375,440)	(1,703,347)	(2,931,488)	(4,634,834)
Payments to employees	(6,698,838)	(13,592,352)	(20,291,190)	(7,336,106)	(10,853,629)	(18,189,735)
	<u>(3,847,240)</u>	<u>(12,357,105)</u>	<u>(16,204,345)</u>	<u>(5,070,223)</u>	<u>(10,048,076)</u>	<u>(15,118,298)</u>
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	10,860,959	10,860,959	-	16,194,598	16,194,598
CalHFA-State Administered Projects	-	64,485	64,485	-	110	110
Realignment	4,796,800	-	4,796,800	4,145,868	-	4,145,868
Contributions from member cities	70,236	-	70,236	70,236	-	70,236
Grants and Contracts	523,378	-	523,378	422,339	-	422,339
	<u>5,390,414</u>	<u>10,925,445</u>	<u>16,315,859</u>	<u>4,638,443</u>	<u>16,194,709</u>	<u>20,833,152</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(12,007)	(179,776)	(191,783)	(89,419)	(249,570)	(338,989)
Principal paid on capital debt	-	-	-	(771,676)	-	(771,676)
Interest paid on capital debt	-	-	-	(11,840)	-	(11,840)
Intercompany-MHSA & TCMH	(428,949)	428,949	-	(263,990)	263,990	-
	<u>(440,956)</u>	<u>249,173</u>	<u>(191,783)</u>	<u>(1,136,924)</u>	<u>14,420</u>	<u>(1,122,504)</u>
Cash Flows from Investing Activities						
Interest received	98,334	526,575	624,909	15,314	69,707	85,021
	<u>98,334</u>	<u>526,575</u>	<u>624,909</u>	<u>15,314</u>	<u>77,833</u>	<u>93,147</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,200,552	(655,912)	544,640	(1,553,390)	6,238,886	4,685,496
Cash Equivalents at Beginning of Year	8,386,759	31,504,790	39,891,549	8,578,296	26,320,242	34,898,537
Cash Equivalents at End of Month	<u>\$ 9,587,311</u>	<u>\$ 30,848,878</u>	<u>\$ 40,436,189</u>	<u>\$ 7,024,906</u>	<u>\$ 32,559,128</u>	<u>\$ 39,584,033</u>
Cash from the Balance Sheet	<u>9,583,897</u>	<u>30,813,387</u>	<u>40,397,284</u>			
YTD Gain/(Loss) from GASB 31 Fair Market Value	<u>\$ (3,414)</u>	<u>\$ (35,491)</u>	<u>\$ (38,905)</u>			

Definitions:

TCMH=Tri-City's Outpatient Clinic

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TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL TO BUDGET COMPARISON
ELEVEN MONTHS ENDING MAY 31, 2023
(UNAUDITED)

	TRI-CITY MENTAL HEALTH OUTPATIENT CLINIC (TCMH)			TRI-CITY MENTAL HEALTH SERVICES ACT (MHSA)			TRI-CITY MENTAL HEALTH AUTHORITY CONSOLIDATED		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES									
Medi-Cal FFP	\$ 2,946,652	\$ 5,831,085	\$ (2,884,433)	\$ 4,267,352	\$ 5,368,848	\$ (1,101,496)	\$ 7,214,004	\$ 11,199,933	\$ (3,985,929)
Medi-Cal SGF-EPSDT	803,605	1,925,406	(1,121,801)	1,021,176	1,531,166	(509,990)	1,824,781	3,456,572	(1,631,791)
Medicare	15,542	11,000	4,542	4,974	1,925	3,049	20,516	12,925	7,591
Patient fees and insurance	1,000	1,008	(9)	181	-	181	1,181	1,008	173
Contracts	17,500	18,333	(833)	27,437	22,917	4,520	44,937	41,250	3,687
Rent income - TCMH & MHSA Housing	10,164	10,164	-	61,636	64,167	(2,531)	71,800	74,331	(2,531)
Other income	728	1,008	(280)	263	-	263	991	1,008	(17)
Provision for contractual disallowances	(311,271)	(756,583)	445,311	(438,948)	(690,002)	251,054	(750,219)	(1,446,584)	696,365
Provision for contractual disallowances prior year	405,278	-	405,278	427,087	-	427,087	832,365	-	832,365
Net Operating Revenues	3,889,197	7,041,423	(3,152,226)	5,371,159	6,299,021	(927,862)	9,260,355	13,340,443	(4,080,088)
OPERATING EXPENSES									
Salaries, wages and benefits	7,254,016	9,709,521	(2,455,506)	13,568,628	15,665,936	(2,097,308)	20,822,644	25,375,457	(4,552,813)
Facility and equipment operating cost	573,086	866,240	(293,154)	1,125,127	1,829,814	(704,687)	1,698,213	2,696,054	(997,841)
Client program costs	86,316	50,851	35,465	419,069	985,575	(566,506)	505,385	1,036,426	(531,041)
Grants	-	-	-	76,350	302,500	(226,150)	76,350	302,500	(226,150)
MHSA training/learning costs	-	-	-	72,163	87,083	(14,921)	72,163	87,083	(14,921)
Depreciation & amortization	256,694	149,810	106,884	586,847	398,657	188,190	843,541	548,467	295,074
Other operating expenses	534,814	517,093	17,722	1,557,766	1,475,980	81,786	2,092,580	1,993,073	99,508
Total Operating Expenses	8,704,926	11,293,515	(2,588,589)	17,405,951	20,745,546	(3,339,596)	26,110,876	32,039,061	(5,928,185)
OPERATING (LOSS)	(4,815,729)	(4,252,092)	(563,637)	(12,034,792)	(14,446,526)	2,411,733	(16,850,521)	(18,698,618)	1,848,097
Non-Operating Revenues (Expenses)									
Realignment	4,138,578	4,033,333	105,244	-	-	-	4,138,578	4,033,333	105,244
Contributions from member cities & donations	70,236	70,236	-	-	-	-	70,236	70,236	-
MHSA Funding	-	-	-	16,352,860	14,780,860	1,572,000	16,352,860	14,780,860	1,572,000
Grants and contracts	300,705	737,917	(437,212)	-	-	-	300,705	737,917	(437,212)
Interest (expense) income, net	109,008	21,450	87,558	671,358	137,885	533,473	780,366	159,335	621,031
Total Non-Operating Revenues (Expense)	4,618,527	4,862,936	(244,409)	17,024,218	14,918,745	2,105,473	21,642,744	19,781,681	1,861,063
INCREASE(DECREASE) IN NET POSITION	\$ (197,202)	\$ 610,844	\$ (808,046)	\$ 4,989,426	\$ 472,220	\$ 4,517,206	\$ 4,792,224	\$ 1,083,063	\$ 3,709,160

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
ELEVEN MONTHS ENDING MAY 31, 2023**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than budget by approximately \$4.1 million for the following reasons:

- 1 Medi-Cal FFP revenues for FY 2022-23** were \$4.0 million lower than the budget. Medi-Cal FFP revenues were approximately \$2.9 million lower for TCMH and \$1.1 million lower for MHSA. At TCMH, the adult program revenues were lower than budget by \$2.5 million and the children program revenues were lower by \$433 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by \$362 thousand and the Children and TAY FSP programs were lower by \$739 thousand.
- 2 Medi-Cal SGF-EPSTD revenues for fiscal year 2022-23** were lower than budget by \$1.6 million of which \$1.1 million lower were from TCMH and \$510 thousand lower were from MHSA. SGF-EPSTD relates to State General Funds (SGF) provided to the agency for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSTD) to children and youth under 21 years. These funds are in addition to the FFP reimbursed by the federal government.
 - > *Medi-Cal and Medi-Cal SGF-EPSTD revenues are recognized when the services are provided and can vary depending on the volume of services provided from month to month. Projected (budgeted) services are based on estimated staffing availability and the assumption that vacant positions will be filled. For the fiscal year 2022-23, Tri-City is in the process of migrating from its current electronic health records (EHR) system to a new EHR system, CERNER. During this transition and training period, low volume of billings are to be expected as staff are learning and adapting to the new EHR system.*
- 3 Medicare revenues** are approximately \$8 thousand higher than the budget. Tri-City records revenue when the services are provided and the claims are incurred and submitted.
- 4 Contract revenues** are approximately \$4 thousand higher than the budget.
- 5 Rent Incomes** are approximately \$3 thousand lower than the budget. The rental income represents the payments collected from Genoa pharmacy for space leasing at the 2008 N. Garey Avenue and from the tenants staying at the MHSA house on Park Avenue.
- 6 Provision for contractual disallowances** for fiscal year 2022-23 was \$696 thousand lower than budget due to lower revenues. However, a total of \$832 thousand in prior years reserves were written off as per the state cost report audit settlement for FY12-13 and FY13-14. This amount essentially resulted in an increase to the current fiscal year operating revenues.

Operating Expenses

Operating expenses were lower than budget by approximately \$5.9 million for the following reasons:

- 1 Salaries and benefits** are \$4.6 million lower than budget and of that amount, salaries and benefits are approximately \$2.5 million lower for TCMH operations and are \$2.1 million lower for MHSA operations. These variances are due to the following:
 - TCMH** salaries are lower than budget by \$1.7 million due to vacant positions and benefits are lower than budget by \$783 thousand. Benefits are budgeted as a percentage of the salaries. Therefore, when salaries are lower, benefits will also be lower.
 - MHSA** salaries are lower than budget by \$1.2 million. The direct program salary costs are lower by \$871 thousand due to vacant positions and the administrative salary costs are lower than budget by \$326 thousand. Benefits are lower than the budget by \$900 thousand. Of that, health insurance is lower than budget by \$438 thousand, retirement insurances are lower by \$254 thousand, state unemployment insurance is lower by \$83 thousand, workers compensation is lower by \$81 thousand, medicare tax and other insurances are lower by \$44 thousand.
- 2 Facility and equipment operating costs** were lower than the budget by \$998 thousand of which \$293 thousand lower were from TCMH and \$705 thousand lower were from MHSA. Lower facility costs were due to the implementation of the GASB 87 where most of the rent expense was reclassified as amortization expense (see depreciation and amortization below.) As for equipment, the lower costs were related to the CFTN expenses budgeted to be spent during the fiscal year that has not yet happened. Most of these items which were budgeted for this fiscal year that were delayed due to various reasons are placed in the MHSA plan to be spent over the next three years.
- 3 Client program costs** are lower than the budget by approximately \$531 thousand mainly from MHSA due to lower FSP client costs.
- 4 Grants for fiscal year 2022-23** are \$226 thousand lower than the budget mainly from the new Student Loan Forgiveness program

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
ELEVEN MONTHS ENDING MAY 31, 2023**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

under the WET plan which were scheduled to be disbursed in June. Other grants awarded under the PEI Community Wellbeing project are higher than the budget by \$3 thousand.

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
ELEVEN MONTHS ENDING MAY 31, 2023**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

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- 5 **MHSA learning and training costs** are \$15 thousand lower than the budget.
- 6 **Depreciation and amortization** are \$295 thousand higher than the budget mainly due to the implementation of the GASB 87 where building leases are reported as the rights to use assets and the associated lease liabilities are recorded. These liabilities will then be gradually reduced as the rents are paid and the assets are monthly amortized.
- 7 **Other operating expenses** were higher than the budget by approximately \$100 thousand of which \$18 thousand higher were from TCMH and \$82 thousand higher were from MHSA. In general, the higher costs were due to attorney fees, security expense and liability insurance offset by lower professional fees.

Non-Operating Revenues (Expenses)

Non-operating revenues, net, are higher than budget by \$1.9 million as follows:

- 1 **TCMH non-operating revenues** are \$244 thousand lower than the budget. Of that, realignment fund is higher than the budget by \$105 thousand, contributions from member cities are in line with the budget, grants and contracts are lower than the budget by \$437 thousand due to the anticipation that the Mental Health Student Services Act (MHSSA) program would start and ram up during the fiscal year 2022-23 and lastly, interest income net with fair market value is higher than budget by \$88 thousand due to higher interest rate earned.
- 2 **MHSA non-operating revenue** is higher than the budget by approximately \$1.6 million. In accordance with Government Accounting Standards Board, MHSA funds received and available to be spent must be recorded as non-operating revenue as soon as the funds are received. Funds are available to be spent when an MHSA plan and related programs have been approved and the proposed expenditures for those programs have been approved through an MHSA plan, MHSA update, or State Oversight and Accountability Commission.

The differences in actual to budget are broken out as follows:

	Actual	Budget	Variance
CSS funds received and available to be spent	\$ 13,039,819	\$ 12,284,819	\$ 755,000
PEI funds received and available to be spent	3,038,507	2,221,507	817,000
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	274,534	274,534	-
Non-operating revenues recorded	<u>\$ 16,352,860</u>	<u>\$ 14,780,860</u>	<u>\$ 1,572,000</u>

CSS recorded revenue is \$755 thousand higher than the budget. On January 18, 2023, the Governing Board approved Tri-City's First Amendment to the MHSA annual update for FY2022-23 to add a new Access To Care (ATC) program to CSS plan retroactively to July 1, 2022. This adding of a new program resulted in the recording of \$755 thousand of additional revenue to the CSS plan for FY2022-23.

PEI recorded revenue is \$817 thousand higher than the budget. As mentioned above for the CSS plan, on January 18, 2023, the Governing Board at the same time approved to move an existing School Based Services (SBS) program from TCMH to become a MHSA program under the PEI plan retroactively to July 1, 2022. This resulted in the recording of another \$817 thousand in revenue for the PEI plan for FY2022-23.

INN recorded revenue is in line with the budget.

Interest income for MHSA net with Fair Market Value is higher than budget by \$533 thousand due to higher interest rate earned.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ELEVEN MONTHS ENDED MAY 31, 2023 AND 2022

	PERIOD ENDED 5/31/23			PERIOD ENDED 5/31/22		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
REVENUES						
Medi-Cal FFP, net of reserves	\$ 2,702,080	\$ 3,913,162	\$ 6,615,242	\$ 3,146,379	\$ 2,646,953	\$ 5,793,332
Medi-Cal FFP FYE Prior Year	295,388	310,501	605,889	15,205	45,779	60,984
Medi-Cal SGF-EPSDT	736,906	936,419	1,673,324	735,843	640,317	1,376,159
Medi-Cal SGF-EPSDT Prior Year	109,890	116,587	226,477	35,501	19,746	55,246
Medicare	15,542	4,974	20,516	12,460	4,890	17,350
Realignment	4,138,578	-	4,138,578	4,145,868	-	4,145,868
MHSA funds	-	16,352,860	16,352,860	-	11,870,954	11,870,954
Grants and contracts	318,205	27,437	345,641	419,518	26,314	445,832
Contributions from member cities & donations	70,236	-	70,236	70,236	-	70,236
Patient fees and insurance	1,000	181	1,181	978	227	1,204
Rent income - TCMH & MHSA Housing	10,164	61,636	71,800	11,900	67,641	79,541
Other income	728	263	991	828	286	1,114
Interest Income	109,008	671,358	780,366	16,201	80,062	96,263
Gain on disposal of assets	-	-	-	(2,571)	4,203	1,632
Total Revenues	8,507,724	22,395,376	30,903,100	8,608,346	15,407,371	24,015,717
EXPENSES						
Salaries, wages and benefits	7,254,016	13,568,628	20,822,644	7,338,541	10,768,959	18,107,500
Facility and equipment operating cost	554,347	1,100,423	1,654,770	769,969	1,259,074	2,029,043
Client lodging, transportation, and supply expense	92,977	467,072	560,049	165,820	601,657	767,478
Depreciation & amortization	256,694	586,847	843,541	151,544	391,503	543,047
Interest expense	-	-	-	11,840	-	11,840
Other operating expenses	546,892	1,682,980	2,229,872	600,959	1,119,976	1,720,935
Total Expenses	8,704,926	17,405,951	26,110,876	9,038,673	14,141,170	23,179,843
INCREASE (DECREASE) IN NET POSITION	(197,202)	4,989,426	4,792,224	(430,327)	1,266,201	835,874
NET POSITION, BEGINNING OF YEAR	7,995,472	25,853,634	33,849,106	4,787,631	24,868,486	29,656,117
NET POSITION, END OF MONTH	\$ 7,798,270	\$ 30,843,060	\$ 38,641,330	\$ 4,357,304	\$ 26,134,687	\$ 30,491,991

NOTE: This presentation of the Change in Net Assets is NOT in accordance with GASB, but is presented only for a simple review of Tri-City's revenue sources and expenses.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Elizabeth Renteria, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

CRISIS CARE MOBILE UNIT UPDATE (CCMU)

Tri-City Mental Health Authority (TCMHA) received notice from Advocates for Human Potential (third-party administrator for CA Department of Health Care Services) of approval for funding of remaining base allocation: \$300,000 (2/15/23 – 6/30/25) for the three proposed CCMU teams. The primary use of these funds will be to purchase and outfit three (3) specialized vehicles to serve as command centers for field response. Additional activities in progress include working with a consultant to finalize internal and external workflow (process mapping): protocols, policies, and procedures. These documents will be used to submit the formal application to become a mobile crisis team from the Department of Health Care Services slated for release in October 2023. Additional meetings will be held to coordinate with law enforcement, medical responders, fire departments, emergency departments and schools to further develop crisis assessment and triage protocols, procedures, and workflows.

HOUSING

On June 28, 2023 staff from TCMHA attended the groundbreaking celebration for Chris Hartmire Plaza a new affordable housing community for City of Pomona. In attendance were leadership and staff from the Cesar Chavez Foundation, TCMHA, The City of Pomona, Corporation for Supportive Housing, Community Preservation Corporation, East Valley Community Health Center, San Gabriel Valley Regional Housing Trust, United HealthCare, other elected officials and dignitaries and family members of Cesar Chavez and Chris Hartmire. Chris Hartmire Plaza, named after the late Reverend Chris Hartmire, is being developed by the Cesar Chavez Foundation and will create 90 units of affordable housing for low-income families and homeless veterans on a formerly vacant lot. Through the participation of TCMHA in the project residents will gain access to on-site social service programs and mental health care. Additionally, the development will feature an on-site health clinic. East Valley Community Health Center, a Federally Qualified Health Center (FQHC) that provides medical, dental, and mental health services to the East San Gabriel Valley and Pomona Communities, will occupy an approximately 6,756 square-foot ground-floor health clinic servicing residents and the local community.

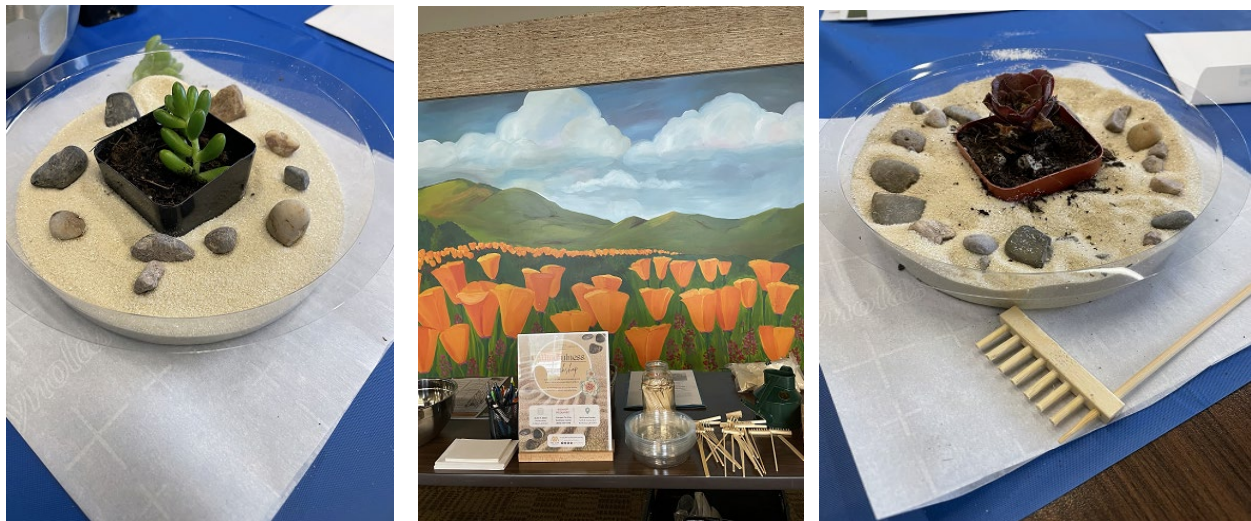
Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Monthly Staff Report of Elizabeth Renteria, LCSW Chief Clinical Officer
July 19, 2023

MENTAL HEALTH STUDENT SERVICES ACT (MHSSA)

The MHSSA program along with the Workforce Education and Training team at TCMHA is planning several professional development opportunities for both TCMHA staff and community partners. As outlined in the grant scope of work, one of the goals of the program is to increase the capacity of the professionals and community members who work with children, youth and young adults in our three cities. The identified competency areas include positive mentorship for LGBTQ+ community appropriate trauma care and enhance resiliency techniques. The Trevor Project Ally training will occur on Wednesday, August 30 and the Trevor CARE Training on Wednesday, September 27. Youth Mental Health First Aid, Cognitive Behavioral Intervention for Trauma in Schools (CBITS) the Community Resiliency Model will also be shared with community partners in the fall.

THERAPEUTIC COMMUNITY GARDEN

In the month of June, TCG cumulatively outreached 10 entities through direct contact, events, planning meetings and advertising. The team collaborated with Cal Poly Veterans Resource Center, Pomona Hope, Pomona Pride Day event, Joslyn Center, Pomona Valley America's Job Center, University of La Verne, Mt. San Antonio Gardens, The La Verne Youth and Family Action Committee, dA Center for the Arts and Sustainable Claremont.



Above: Mindfulness Zen Gardens created by TCG & Wellness Center participants.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Seeyam Teimoori, M.D., Medical Director

SUBJECT: Medical Director's Monthly Report

MEDICAL COMORBIDITIES IN PATIENTS WITH SERIOUS MENTAL ILLNESS

Numerous studies worldwide have reported disproportionate medical comorbidities and premature death among people with serious mental illness (SMI). SMI is generally defined as mental or behavioral disorders that result in significant functional impairment and limit an individual's ability to perform one or more major life activities. These disorders include schizophrenia, schizoaffective disorder, major depressive disorder (MDD) and bipolar affective disorder (BPAD). In some studies, the life expectancy of people with an SMI is estimated to be as much as 30 years less than in the general population. Several studies have attributed medical comorbidities among psychiatric patients as responsible for the premature death observed in this population. Heart disease, cancer, respiratory conditions, and metabolic disorders such as obesity and diabetes are among the most commonly underlying causes of mortality in patients with SMI. Contributing to the high prevalence of medical comorbidity in this population is the increased risk of weight gain associated with many medications that are required to treat SMI, particularly with the newer atypical antipsychotics.

In addition to this mortality and morbidity gap, there is increasing evidence that disparities exist in the medical care provided to individuals with SMI. The literature indicates that people with mental illnesses are less likely to receive the same level of medical services such as physical examinations or evidence-based medications for chronic medical conditions and are more likely to perceive barriers to care than persons without mental illness. Various factors may contribute to the gap in medical care provided to patients with SMI, such as socioeconomic disadvantages, poor insight, and unhealthy lifestyle choices (such as smoking, substance abuse, unbalanced diets and physical inactivity). Studies also suggest that the stigma associated with mental illness, which is also related to patient/provider/system barriers, prevents proper follow-up of patients with SMI once they are discharged from acute care into their communities, placing them at risk not only of mental health relapse but also for not having proper medical care.

To address these very important issues, we have implemented measures such as:

- Periodic discussions and collaborations among psychiatrists and nursing team.

- Selecting medications with the least metabolic and overall side effects as much as possible and changing medications when indicated to address the side effects.
- Monitoring clients' vital signs and ordering and monitoring necessary labs per the most current guidelines.
- Providing comprehensive lifestyle counseling to our clients.
- Consulting and coordinating cares with primary care physicians and other medical professionals to treat medical problems as soon as they occur and in the continuous basis.
- Providing support and advocating for clients in their encounters with other medical providers when needed.
- Collaborations with other medical and educational agencies in our area to provide resources and services to our clients.
- Providing tips to our clients on how to encounter with their medical providers to get the best results.



Tri-City Mental Health Authority Monthly Staff Report

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Dana Barford, Director of MHSA and Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

DIVERSITY, EQUITY, AND INCLUSION

In 2008, July was designated as Bebe Moore Campbell's National Minority Mental Health Awareness Month, also known as BIPOC Mental Health Awareness Month, to raise awareness about disparities and barriers in the mental health system and eliminate the stigma that black, indigenous, and people of color (BIPOC) and LGBTQIA+ communities face when seeking help. Bebe Moore Campbell was an American author, journalist, teacher, and mental health advocate who worked tirelessly to shed light on the mental health needs of the Black community and other under-represented and historically marginalized communities. Taking on the challenges of mental health conditions, health coverage and the stigma of mental illness requires a commitment from all of us. In many communities, these problems are compounded by an increase in barriers to care, cultural stigma, and lower quality of treatment options. Educating yourself and others and spreading the word about these issues can help lessen the shame surrounding minority mental health care and improve access to quality treatment.

Upcoming Events

- **Honoring the Legacy of Bebe Moore Campbell: A Community Healing Event** | NAMI Urban Los Angeles
Saturday, July 29, 2023 at 10:00 am - 3:00 pm
Leimert Park (4305 Degnan Blvd Suite #104, Los Angeles, CA 90008)
[Event Sign Up](#)

PREVENTION AND EARLY INTERVENTION (PEI)

Community Trainings

Community trainings continue to be one of the primary goals for the Prevention and Early Intervention program. During the month of June, staff provided multiple trainings for Tri-City staff and community members on various topics including:

Mental Health First Aid (MHFA)

- Western University
- Volunteers of America
- The city of La Verne Community Services and Police Department

Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Director of MHSA and Ethnic Services Monthly Report
July 19, 2023
Page 2

Stress Management

- Bright Prospect student graduates

Community Resiliency Model (CRM)

- Non-clinical Tri-City staff
- PFLAG (Parents, Friends & Families of Lesbians and Gays) and Tri-City Staff

During the month of July, staff will be offering in-person MHFA training for community members at the 2001 MHSA Building in Pomona. Staff will continue to outreach and engage community partners and provide trainings, workshops, and presentations as requested.

Stigma Reduction

Suicide prevention is another crucial training provided by staff for the community. During the month of June, program staff met with the Office of Suicide Prevention (OSP) and participated in an interview with the goal of providing feedback on how the OSP can provide support in Tri-City's suicide prevention programming. Program staff also hosted a suicide prevention presentation, Know the Signs, for the Pomona Pride Center and St. Paul's Episcopal Church.

WELLNESS CENTER

The Wellness Center's Summer Camp began on July 10th and will run through August 4th. Designed for campers ages 7 to 12, this 4-week summer day camp runs Monday-Friday and is held at the Wellness Center. Volunteers will assist staff with weekly field trips that include trips to a museum, bowling and an afternoon movie. Other benefits include lunch, arts and crafts as well as the opportunity to build positive relationships with the 14 children attending the camp.

INNOVATION

Innovation (INN) Project Name: Community Planning Process for Innovation Project(s)
Total INN Funding Requested: \$675,000
Duration of Innovation Project: 3 Years (FY 2023-24 - FY 2025-26)

Tri-City is preparing to submit the next proposed Innovation project for feedback from the community. This three-year project, *Community Planning Process for Innovation Projects*, is projected to encumber \$675,000 of Innovation funds and focus on improving the community planning process for gathering feedback and identifying unmet needs, especially for unserved and underserved individuals for future projects.

Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Director of MHSA and Ethnic Services Monthly Report
July 19, 2023
Page 3

Over time, Tri-City has learned and recognized that planning for a new Innovation project requires input from a diverse group of stakeholders as well as a high level of education and review of Innovation plan guidelines and regulations. In addition, identifying a plan that can be developed based on community needs and/or gaps in access to services, can be time consuming and requires multiple interactions, and opportunity for feedback.

With this in mind, Tri-City staff and stakeholders are proposing a three-year project focused on developing an effective strategy that will expand the pool of participants and implement a more formal process which would include focus groups embedded in the community, developing relationships with cultural brokers, and stronger peer involvement including playing a role in community outreach and engagement.

This Innovation plan will be posted on August 11, 2023, for a 30-Day review period. Following the 30-day comment period, this project will be presented to the Mental Health Commission/Public Hearing on September 12, 2023, and to Tri-City's Governing Board on September 20, 2023 for review and adoption.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: July 19, 2023

TO: Governing Board of Tri-City Mental Health Center
Rimmi Hundal, Executive Director

FROM: Natalie Majors-Stewart, LCSW, Chief Compliance Officer

SUBJECT: Monthly Best Practices Report

CALAIM – JULY 1, 2023 IMPLEMENTATION

Tri-City Mental Health Authority has implemented the requirements of the CalAIM Behavioral Health Payment Reform initiative, which went into effect on July 1, 2023.

The primary target Behavioral Health Payment Reform was to transition specialty mental health services providers in the state of California to: 1) A Fee-For Service Reimbursement Model, 2) A New Rate/Fee Schedule, and 3) An Expanded usage of Common Procedural Terminology (CPT) codes, among other payment reform changes.

Behavioral Health Payment Reform implementation was a major step for the Department of Health Care Services (DHCS) towards a value-based reimbursement structure that intends to promote better quality of care for Medi-Cal beneficiaries.

Tri-City's implementation of Behavioral Health Payment Reform required a significant amount of collaboration and planning across the Best Practice, Finance and Clinical departments, in the following areas:

- Revenue Cycle Planning and Development
- Claiming and Documenting Services
- Service and System of Care Workflows
- Electronic Health Record/Claiming System Configurations
- Documentation and Auditing Guidelines

There were some Electronic Health Record System configuration challenges with this implementation, and as a result, there were few minor front-end workflow adjustments that were needed to ensure that the initiative launched by July 1, 2023.

Best Practices team will continue to collaborate with finance department to ensure that Electronic Health Record configurations are optimized over the next quarter to adequately capture, bill, and report all of the requirements properly.

CalAIM initiatives will continue to be phased in through 2027. Viable updates will be provided to the Governing Board as necessary.