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TRI·CITY Mental Health

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, Member (La Verne)
Elizabeth Ontiveros-Cole, Member (Pomona)
Ronald T. Vera, Member (Claremont)

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TRI-CITY MENTAL HEALTH AUTHORITY

AGENDA

GOVERNING BOARD REGULAR MEETING

WEDNESDAY, MARCH 20, 2024 AT 5:00 P.M.
MHSA ADMINISTRATION BUILDING
2001 NORTH GAREY AVENUE, POMONA, CA 91767

To join the meeting on-line clink on the following link:
https://tricitymhs-org.zoom.us/j/84896977725?pwd=OhrwT8TN12Ke7B674lLM204tOYtsWKna.69oDAHAfZ9nR-m78
Passcode: awFL+Wy4

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.***

In-person participation: *raise your hand when the Governing Board Chair invites the public to speak.*

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

PRESENTATION

- **2023 DATA NOTEBOOK ON: (1) STANDARD YEARLY DATA AND QUESTIONS FOR COUNTIES AND LOCAL ADVISORY BOARDS; AND (2) STAKEHOLDER ENGAGEMENT IN THE PUBLIC MENTAL HEALTH SYSTEM**

- **MENTAL HEALTH SERVICES ACT ANNUAL UPDATE**

CONSENT CALENDAR

1. APPROVAL OF MINUTES FROM THE FEBRUARY 21, 2024 GOVERNING BOARD REGULAR MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Regular Meeting of February 21, 2024."

NEW BUSINESS

2. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023

Recommendation: "A motion to accept and file the Authority's final issued audited Financial Statements for Fiscal Year ended June 30, 2023."

3. CONSIDERATION TO APPROVE THE MEMBERSHIP OF SANDRA CHRISTENSEN, MILDRED GARCIA, ETHEL GARDNER, FRANK GUZMAN, LAURA MUNDY, JANET ROY, AND DANETTE WILKERSON TO THE TRI–CITY MENTAL HEALTH COMMISSION FOR THREE YEARS BEGINNING APRIL 1, 2024

Recommendation: "A motion to approve the seven (7) Memberships to the MHC for three years beginning April 1, 2024."

4. CONSIDERATION OF RESOLUTION NO. 735 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN RATE AMENDMENT AND CLIENT AGREEMENT WITH LOCUMTENENS.COM FOR PROFESSIONAL SERVICES EFFECTIVE MARCH 20, 2024

Recommendation: "A motion to adopt Resolution No. 735 authorizing the Executive Director to execute the Amendment and Client Agreement for Professional Services with LocumTenens.com, effective March 20, 2024."

5. CONSIDERATION OF RESOLUTION NO. 736 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT (DDA) AGREEMENT WITH RESTORE NEIGHBORHOODS, LA, INC. (RNLA) FOR THE CLAREMONT GARDENS SENIOR HOUSING PROJECT AT 956 W BASELINE ROAD IN CLAREMONT, CALIFORNIA

Recommendation: "A motion to adopt Resolution No. 736 authorizing the Executive Director to execute the Fourth Amendment to the DDA with RNLA to extend the escrow closing deadline to May 15, 2024 for the Claremont Garden senior housing project, at 956 W. Baseline Road in Claremont, California.

MONTHLY STAFF REPORTS

6. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT

7. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

8. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

9. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

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

11. 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, April 17, 2024 at 5:00 p.m.**, in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK

MINUTES

REGULAR MEETING OF THE GOVERNING BOARD
February 21, 2024 – 5:00 P.M.

The Governing Board Regular Meeting was held on Wednesday, February 21, 2024 at 5:00 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 5:00 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 5:02 p.m.
Elizabeth Ontiveros-Cole, City of Pomona, Board Member, arrived at 5:05 p.m.
Paula Lantz, City of Pomona, Board Member
Wendy Lau, City of La Verne, Board Member
Ronald T. Vera, City of Claremont, Board Member

ABSENT: None

STAFF

PRESENT: Rimmi Hundal, Executive Director
Steven L. 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

PRESENTATION

OVERVIEW OF PROPOSED CHANGES TO THE MENTAL HEALTH SERVICES ACT (MHSA) THROUGH PROPOSITION 1 ON THE MARCH 2024 BALLOT INTIATIVE, AND ITS PROJECTED IMPACT ON THE MENTAL HEALTH SERVICES AND PROGRAMS

Board Member Cockrell arrived at 5:02 p.m.

Director of MHSA and Ethnic Services Barford announced that the presentation would focus on the fiscal impact of Proposition 1 (Prop 1) on TCMHA budget operations, and explained that Proposition 1 is made up of two bills: Assembly Bill 531 (AB 531) and Senate Bill 326 (SB 326),

AGENDA ITEM NO. 1

and its intent is to create a $6.38 billion dollar bond to build more mental health care, drug and alcohol treatment facilities, and more housing for individuals with substance abuse or mental health challenges; and that it also changes the way that money can be used from the Mental Health Services Act. She stated that if Prop 1 passes, it will give a greater share of MHSA funding to the State for its mental health services, that it will increase from the current 5% to 10%, which means that 10% of the funds will be taken by the State before it is distributed to the counties; and that it will also allow MHSA funds to be used for drug and alcohol treatment for people without a mental illness. She pointed out that the number figures being discussed are based on TCMHA most recent Three-Year MHSA Plan, and as if Prop 1 were to go into effect today since there is no information available for when it goes into effect on July 1, 2026. She noted that not much information has been disclosed and TCMHA staff simply wanted to share what SB 326 will potentially do financially for TCMHA programs. She then stated that SB 326 is a ballot initiative designed to modernize the Mental Health Services Act by amending it; that if it passes, the name will be changed to the Behavioral Health Services Act (BHSA); that it was introduced in March of 2023 and it is designed to impact how California treats mental illness, substance abuse and the homeless; and that it will go before voters on March 5th under Prop 1. She further explained that the BHSA would create a new structure for planning, data gathering, reporting, and accountability across the behavioral health streams including MHSA, realignment, block grants, and any kind of funding source; and pointed out that TCMHA' s MHSA Annual update or Three-year plan, will include all the funding streams and updates from the clinical program, in addition to the MHSA programming, which currently lists only. She added that the BHSA will also increase the State's allocation from 5% to 10% for new statewide workforce and prevention initiatives; that it will eliminate locally controlled funding for community prevention programs as well as workforce education and training, which will be taken to the State level to be created there and then counties will have access to them.

Board Member Vera inquired if TCMHA implements any community prevention programs currently. Director of MHSA and Ethnic Services Barford responded in the affirmative sharing examples such as the Wellness Center and Community Wellbeing grants or prevention programs. Executive Director Hundal added that all staff training also fall under that category.

Chair Leano inquired if this means TCMHA will no longer be receiving funds for Prevention and Early Intervention (PEI) and Workforce Education and Training (WET) since it will no longer be based out of TCMHA. Director of MHSA and Ethnic Services Barford replied that TCMHA will no longer have funding for prevention programs, but they will still have funding for early intervention; that Workforce Education and Training is going to the State, which TCMHA can bid for this funding, but TCMHA will not receive additional funding for WET, noting that she will explain how the money will be allowed to be utilized later during her presentation. Executive Director Hundal added that 20% of the MHSA funding TCMHA receives, is allocated to Prevention and Early Intervention (PEI).

Discussion ensued regarding the possibility of continuing prevention programs even if the funding will no longer be available.

Director of MHSA and Ethnic Services Barford continued with her presentation and stated that the BHSA would also eliminate funding for Capital Facilities and Technological Needs; and that locally controlled funds for Innovation projects, the Mental Health Services Oversight Accountability Commission (MHSOAC) will now receive $12 million in funding and TCMHA will have to apply for and bid competitively for funding for Innovation projects.

Chair Leano inquired about the number of TCMHA employees that are supported by the current local funding for the Workforce Education and Training and Innovation. Director of MHSA and Ethnic Services Barford named a few. Execuitve Director Hundal shared that the Executive Management team has been meeting and discussing the upcoming changes with the goal to provide services as they do today, without eliminating positions; that staff does not have all the answers today, but working towards repurposing positions as needed.

Chair Leano stated that it seems like the possibility that services that are currently funded will no longer be funded if Prop 1 passes; that the one of the challenges in the agency is hiring more people; and that TCMHA will be in a position to potentially have to reconsider staffing. Executive Director Hundal responded in the affirmative stating that it does, but she hopes that the Executive team is creative enough to save as many positions as possible.

Director of MHSA and Ethnic Services Barford then explained the current MHSA breakdown where Community Services and Supports (CSS) is about 76%, Prevention and Early Intervention is about 19%, Innovation is 5%, WET and CapTech are one-time funds, versus the proposed funding breakdown if Proposition 1 passes. She indicated under the BHSA, the funding buckets will change from five plans to three categories with specific percentages; stating that Permanent Supportive Housing will be 30%, which would go towards housing interventions and does not include mental health services, and that mental health services and substance use treatment cannot be under the housing bucket; that FSP is 35% of the total allowable funding for older adults, adults, transition age youth and children; and 35% for behavioral health services and support. She added that in theory, everything else would need to fall in the FSP category, and that although the remaining programs are listed, they will not have the additional funding that supported them in the past.

Board Member Vera inquired if SB 326 will require that TCMHA receive the funding or if this funding can be distributed to other agencies in the community. Executive Director Hundal stated that the staff does not have the answers for housing yet.

Board Member Lantz inquired if the housing comes without wraparound services. Executive Director Hundal responded in the affirmative.

Discussion ensued regarding the possibility of switching programs to other buckets and splitting the budget into three categories to see how it will look for TCMHA percentage wise; however, nothing is certain at this time.

Board Member Vera inquired what percentage is allocated to housing based on the current MHSA funding. Director of MHSA and Ethnic Services Barford stated that housing is currently funded under CSS. Controller Bogle indicated that in aggregate between the CSS program and PEI, they are spending approximately $600,000 on housing.

Director of MHSA and Ethnic Services Barford then discussed the current MSHA budget and the proposed spending under Proposition 1; broke down the 10% tax from the State stating that 3% will be for administration, 3% for workforce education and training, and 4% to fund the population-based mental health and substance use disorder prevention programs, noting that the State will create programs and the counties will have access to them, but what they do not know if counties can have their own programs and have to request funding to fund these program. She then explained the possible impact of housing, stating that under Proposition 1, it is estimated that the Counties would need to allocate approximately $4.9 million to Housing; that TCMHA currently allocates $637,083 to Housing, which means there would be a 667% increase in spending; that the Housing allocations would need to serve at least 50% of the chronically homeless populations and up to 25% could be dedicated to capital projects such as housing within the housing department; and that substance use or mental health treatment services cannot be funded through the housing category.

Board Member Vera sought clarification regarding the 30% of the monies TCMHA will receive for housing under the new BHSA, inquiring if the Board, beginning in 2026, would have to spend approximately 4.8 million on housing annually. Executive Director Hundal responded in the affirmative.

Discussion ensued regarding the amount of funds that would go towards housing over the next 10 years under the new BHSA; and that starting in fiscal year 2032, it will be possible that counties can advocate to make a change, but it will require voter approval.

Director of MHSA and Ethnic Services Barford continued to discuss the budget for Full-Service Partnerships (FSP), emphasizing the importance of the program and that this program will be mandated for all counties; pointed out that the current budget for FSP is $5.2 million; that the projected amount is going to be $5.7 million, and the increase will be another $427,621, which is about an 8% increase and brings the allocation up to 35%.

Chair Leano inquired about the substantial increase in investment in housing and if TCMHA already has a Full-Service Partnership program that operates without a housing component at the level that is being prescribed, and if it in theory makes the capacity of the FSP programming easier. Medical Director Teimoori responded that in theory, it looks good, but the problem is that support is needed for people that are in housing, to make sure that they are stable enough to stay in housing; that more support from FSP and the agency is needed but he is not sure where the money will come from. Chief Clinical Officer Renteria added that there is also a need to manage that level of funding for housing; that there is an administrative burden piece to account for; that Medical Director Teimoori is correct and providing housing is critical, but the support to remain in housing is more labor-intensive and needs more resources; that she is not sure that an 8% increase in FSP would cover the demand for managing that increase in housing resources that they will be receiving. Director of MHSA and Ethnic Services Barford shared that in one of the amendments, they will allow counties to transfer 7% from one bucket to another for a total of 14%, but it cannot be 14% from one bucket.

Director of MHSA and Ethnic Services Barford then stated that under BHSA, the Behavioral Health Services and Supports category is 35% of the funding, which will be allocated to 17 programs; that at least 51% of this funding needs to be allocated for early intervention programs and, within that program, 51% needs to be dedicated to individuals ages 25 and under; that the remaining percentage would be dedicated to the rest of the programs; that it is estimated that there will be a decrease in funding of approximately 48%, essentially cut in half.

Board Member Vera inquired if they would be able to take 7% of the housing funds and move them. Controller Bogle explained that the rule will allow a transfer of a maximum of 14%, but cannot be all taken from both buckets; that if they took it from housing, it will have to be allocated to BHS, which would reduce that funding to 41%.

Vice-Chair Nolte inquired about the programs that will be taken over by the State if Proposition 1 passes, and if those programs are supposed to make up for some of this; and about the route in which TCMHA is considering regarding the 17 programs. Director of MHSA and Ethnic Services Barford responded that the substance abuse and mental health or prevention programs will be at the State level and they will be creating those. Vice-Chair Nolte inquired if that would backfill some of the programs that will be lost at the local level. Director of MHSA and Ethnic Services indicated that staff do not know what those programs will look like yet; that the difference is that all of the prevention programs that TCMHA has were developed by community members and stakeholders based on needs that the communities have; that the State created programs will be more generic for the whole State, but they will be available. She also stated that the design behind the bill is to encourage counties to draw down from Medi-Cal; that they can look at programs to see if the location can be Medi-Cal certified and if staff can be billed based on what they do; that there are so many options including the 7% or the 14% that they are considering; that as a team, they are looking at MHSA for community-based programming, what the clinic can do and how they can integrate both, and seeing the potential there.

Board Member Vera inquired about what the changes would mean for existing Mental Health Commission members in terms of providing input. Director of MHSA and Ethnic Services Barford mentioned that there is a section about the Mental Health Commission that is included in the plan, but that she did not see anything about decreasing their role or input. Executive Director Hundal shared that Commissions are for counties that receive Medi-Cal funding but when the MHSA was implemented, they also added that the Commission will host the public hearings; and stated that that those things would still take place; that the yearly updates will still happen; that the updates focus on emergency programs and with this BHSA, it will be required to give updates on every single program, even if it is only a one-year grant received; that it will be an overall bigger report on all outcomes.

Board Member Vera commented that from his understanding of the current legislation, the Commission also has a responsibility for vetting those programs and submitting proposals to staff in terms of which programs can be implemented. Executive Director Hundal assured Board Member Vera that the stakeholder process will stay, and the Commission will stay; that under BHSA, there will be just three buckets to work with. Director of MHSA and Ethnic Services Barford shared that a change they will see is that the State will be mandating who is on the Commission; that they may ask that certain demographics be represented within the Commission; that the information has been sent to JPA Clerk Olmos for review; that they are also doing that with the MHSOAC, where they are expanding the amount of Commissioners from 11 to 27 to assure that everyone is well-represented.

Discussion ensued regarding the supplemental nature of the bond for housing, which will be used for new construction; about there being a whole plan under AB 531 concerning what is going to be built; and that today's presentation is solely addressing SB 326, which is the bill that will impact the TCMHA budget.

Board Member Vera commented that he believes the funds will go towards a financing authority where local counties can apply to build housing for local communities. Executive Director Hundal added that they will also include patient beds for counties.

Director of MHSA and Ethnic Services Barford provided a summary of the proposed budget changes, noting that the funding for housing and FSP will increase; and that the budget for BHSS will be decreased.

Board Member Vera referred to the 30% increase for housing and inquired if TCMHA will have to increase their bandwidth, as far as staff goes, to take on the challenge of housing not only the mentally ill but also the homeless population. Executive Director Hundal replied in the affirmative, and pointed out that there is no funding for staff, and she hopes that this will change over time.

Director of MHSA and Ethnic Services Barford then stated that the California Behavioral Health Directors Association (CBHDA) sent the counties a fiscal modeling tool, which they can use to project what they think is going to happen; that they were able to use the tool and give CBHDA feedback regarding the additional funding they need for administration so they can implement Prop 1 since there will be more tracking for outcomes. She then provided a recap on Prop 1, stating that if it passes the Mental Health Services Act (MHSA) will be renamed to Behavioral Health Services Act (BHSA); it will expand to include services to individuals with substance abuse disorder without mental illness; it will change how MHSA funds can be spent; it will give a greater share of MHSA revenue funds to the State; and it will issue a bond that was attached to it; however, if Prop 1 fails, then there will be no changes to MHSA funds and no bond will be issued.

Chair Leano inquired about AB 531; asking in theory, if there is a major increase in capacity of crisis beds, if that would relieve or reduce some of the stress on TCMHA systems coming out of what they would consider to be Community Support Services: Full-Service Partnerships. Chief Clinical Officer Renteria responded that there will always be a need for TCMHA to provide the ongoing care beyond those shorter term stays of crisis facilities; that there might be a small reduction at some point, but they are not long-term stays; that the need will remain and they already have need that they are not moving; that she believes there is a need for long-term ongoing care to keep people safe and that TCMHA does not have the structure or infrastructure for long term space; that the most they will get is some stabilization, but then there will still need to be people that can pick up and serve in the community and keep them safe once they are stabilized; and expressed that she thinks the need is only going to increase, but at the community health level, the stays will not impact that too much because there are short term stays and people will need to come out and be received by agencies that can serve them.

Discussion ensued regarding the process once an individual comes out of crisis beds, the support process for longer-term supportive care with outpatient treatment.

Chair Leano inquired about the changes to housing, and if, in theory, the funding is supposed to go to those who are exiting crisis beds to house and stabilize them. Chief Clinical Officer Renteria shared that the funding is also to provide housing for people who are not mentally ill. Director of MHSA and Ethnic Services Barford added that the housing funding cannot be used to provide medical services or substance abuse services. Executive Director Hundal added that the funding is to decrease the population in tents and help people get off the streets.

Board Member Vera commented that it would be good to have General Counsel Flower review the articles of incorporation for the Joint Powers Authority (JPA) to see if TCMHA has the ability to take on the new additional powers; and if not, if they should amend the articles with the approval of the three cities so that TCMHA can take on all these responsibilities. General Counselor Flower agreed to revisit the articles to make sure that the additional responsibilities that may be required of the agency are clearly spelled out; that from a housing perspective, it is a different category of business.

Executive Director Hundal stated that the current housing that TCMHA has is the permanent supportive housing for their clients. She mentioned that the individuals are in treatment when they are connected to housing; that they stay connected to them, but it is up to them and staff cannot force them to continue treatment; that even if they decline, there is supportive staff at the housing site; that she is unsure if they will be able to continue that based on Proposition 1.

Board Member Vera commented that true counties have more flexibility and that since TCMHA is a JPA, they are a bit more restricted by how the articles were initially adopted.

Executive Director Hundal shared that the admission beds are the County's charge; that they cannot do that; that the true county is on Los Angeles County; that TCMHA can go advocate with them to bring beds in the areas based on the population of the three cities, but they do not know how it is going to work and the stakeholder process that it requires.

Chair Leano inquired about the increase in funding for housing if Proposition 1 passes. Executive Director Hundal referred to a question regarding the number of housing units needed in our area that came up at the previous Board meeting, and reported that former Executive Director mentioned, based on the 2011 housing plan, TCMHA needed 100 housing units for the three cities; and that in 2019, 120 units of permanent supportive housing would be needed based on the population at that time; that today, they currently have 89 units, plus beds from Hope-4-Home.

Discussion ensued regarding the increase of $4 million more per year towards housing and what that will look like; about the funding breakdown, and how other counties are talking about it; and the likelihood of Prop 1 passing.

Chair Leano asked General Counsel Flower for clarification regarding the ballot measure and the rules/parameters for staff. General Counsel Flower indicated that State law forbids the use of public monies to advocate for, or against, any sort of ballot measure or election method; that Authority resources cannot be used for electioneering purposes; that the Board itself may take an action as a matter of policy, whether to support or not support the matter, but it still could not be used to direct action boards; and added that the agency is allowed to share information about the measure and what the measure does, what will happen if it goes through etc.; and that it is okay to campaign for, or against, the measure if agency resources are not being used; and that nothing currently discussed in the meeting had alarmed him at all.

Director of MHSA and Ethnic Services Barford shared that TCMHA has been tracking Prop 1 for months, including meeting with CBHDA and other counties; that if Prop 1 is passed, TCMHA will continue to review the guidelines and requirements as they consider how each program is impacted; that the goal is to preserve as many MHSA programs as possible, including possible modifications to programs to enhance them and meet Proposition 1 criteria; and concluded by stating that all the current programs will continue the same way as they were developed under the last Three-Year Plan; and that any decisions that the Agency makes will be with consideration to SB 326 requirements, knowing what the impact will be if the program continued.

CONSENT CALENDAR

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

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

1. APPROVAL OF MINUTES FROM THE JANUARY 17, 2024 GOVERNING BOARD REGULAR MEETING

<u>NEW BUSINESS</u>

2. APPROVAL OF RESOLUTION NO. 733 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE TWO BUYER'S ORDER CONTRACTS WITH MODEL 1 COMMERCIAL VEHICLES, INC. TO PURCHASE TWO VEHICLES IN THE AMOUNT OF $135,580.00 FOR THE CRISIS CARE MOBILE UNIT

Chief Clinical Officer Renteria reported that in 2022, TCMHA was awarded a planning grant from the California Department of Healthcare Services (DHCS) to design a mobile crisis unit; that the DHCS had amended the contract to award TCMHA additional funds; that staff recommends that the funds are used to purchase two vehicles for the mobile crisis unit, which were slated to start in the new fiscal year; that staff engaged the community through a stakeholder process and it was identified that having mobile services would be critical; that staff did some procurement and had identified Model 1 Commercial Vehicle company as being able to meet the needs of the agency; and that staff is asking for authorization to enter into the contract to purchase two vehicles for the mobile crisis care unit that they hope to start at the end of the fiscal year.

Board Member Lantz inquired about how the mobile crisis units will work. Chief Clinical Officer Renteria stated that there will be a mobile team, where existing programming will be combined into one team; that they be getting a phone line to receive calls and they will be dispatched out based on a triage, that has been established by the State, and provide crisis and stabilization services to people in the community or those that go to the clinic.

Board Member Lantz inquired about the number of hours and how the team will be staffed. Chief Clinical Officer Renteria stated that it will be a 24-hour crisis response, and there will be two vehicles in case there is something going on in one part of town and they can get to another; that each mobile unit will be working in teams; that at least two staff members, a licensed clinician and a licensed psychiatric tech peer support specialist, and that there will be a supervisor and managers available for additional support, noting that there will be three staff members on shift and two that go out.

Board Member Vera inquired if this program is in conjunction with the Heart to Heart program. Chief Clinical Officer Renteria responded that staff had been in contact with all local law enforcement agencies, and they have been involved in the planning process and providing feedback; that they are still working as a community to maximize and leverage all the resources to respond to crises in the community.

Board Member Cockrell inquired if the mobile crisis team would be able to transport someone to a bed if needed. Chief Clinical Officer Renteria stated that they would transport people that are willing to voluntarily go for an evaluation and to utilize ambulances for people that are involuntary; that they will be providing transportation for people to things like shelters, hospitals, a friend's house, or a safe place; that they can do 5150 visits but they won't be transporting them; that the ambulance would transport them; that the goal of the program is to be able to prevent a lot of those situations by going out into the community and offering real time support.

Board Member Lau inquired about the description of the vehicle, specifically the capacity in the back as well as the license needed to drive the vehicle. Chief Clinical Officer Renteria shared that staff will not need a special license and she does not know the occupancy of the vehicle, but she can share that information. She added that it is not a Class B vehicle, it is a regular van that has been modified; that it is a four ambulatory plus one wheelchair.

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

There being no further discussion, Board Member Lau moved, and Board Member Cockrell seconded, to adopt Resolution No. 733 authorizing the Executive Director to execute 2 Buyer's Order Contracts with Model 1 Commercial Vehicles, Inc. to purchase of 2 Vehicles for the CCMU Program in the amount of $135,580.00. The motion was carried by the following vote, AYES: Board Members Cockrell, Lantz, Lau, Ontiveros-Cole and Vera; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: None.

3. CONSIDERATION OF RESOLUTION NO. 734 AUTHORIZING AMENDMENT NO. 3 TO THE SERVICES AGREEMENT WITH AIRESPRING, INC. FOR NETWORK SERVICES MIGRATION PROJECT, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AMENDMENT

Executive Director Hundal reported that in November 2021, the Governing Board awarded an agreement for networking SD-WAN plan and enterprise firewall services to Airespring, Inc. in the amount of $74,495, for two circuits for internet connectivity at each agency location to provide necessary bandwidth and speed for modern software and communication systems as well as redundancy and resiliency of the internet; that Airespring's proposal would allow TCMHA to add additional bandwidth for TCMHA sites while cutting local internet costs, as well as streamline the IT network management process; that the previous 12 months spent for internet services was approximately $132,000 per year and the Airespring proposal for 12 months would be $74,495, which represents a potential saving of $56,360; and that a final contract for services was negotiated and signed; that Amendment No. 2 was signed in April 2023, which would have provided the original mode connection type of services for two of the locations: 2008 Garey Avenue and 1900 Royalty. She added that after site surveys were completed for both locations, it was determined that heavy construction would be necessary for them to implement the new connection. However, since the adoption of Amendment No. 2, Airespring informed TCMHA that a new method of internet delivery had been made available for the 2008 North Garey site, which means that it will not incur the construction cost agreed upon in the original agreement; that the suggested replacement service can be brought into the building with minimally disruptive installation and without an expense beyond the service cost of $756.04 a month. She shared that the original fiscal impact was signed at $160 a month and the new service of Amendment No 3. is to be $756.04 a month and a net cost increase in the cost of $591 in lieu of any construction costs, which was presented in Amendment No. 2.

Board Member Lau commented on the savings in comparison to what it would have cost with the construction costs.

Board Member Lantz inquired about the Children's Center and if it was possible to provide the upgrades there. Executive Director Hundal shared that it was not possible because TCMHA does not own that building; that they rent that building. IT Systems Administrator & Security Officer Cesario added that the locations, 2008 Garey and Royalty, are unique to provide services there because 2008 Garey Avenue is across the street from the MHSA building, but they cannot receive certain types of fiber because of the routing that is under Garey Avenue; that they would have to trench it; and explained the methods to be used for both 2008 Garey and Royalty.

Chair Leano opened public comment; there was no public comment.

There being no further comment, Board Member Lau moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 734 authorizing the Executive Director to execute Amendment No. 3 to the Services Agreement with Airespring, Inc. for Network Services Migration Project effective February 21, 2024. The motion was carried by the following vote, AYES: Board Members Cockrell, Lantz, Lau, Ontiveros-Cole and Vera; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: None.

<u>MONTHLY STAFF REPORTS</u>

4. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT

Executive Director Hundal announced that February is designated as Black History Month; that she sent the Governing Board members an email with all the events that are happening in February; and that February honors the impact of African Americans in the United States. She then reported that the Director of MHSA and Ethnic Services Barford will provide a Prop 1 presentation during the stakeholder meeting taking place tomorrow; and that the same presentation will be done twice to accommodate people's schedules. She also updated the Board regarding IT activities, noting that due to many cyber-attacks happening, the IT department has been conducting a lot of training and testing for staff in advance; and also provided a human resources update, listing the number of staffing, vacancies, hires, and separations.

5. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta addressed a question regarding the lack of collection of funds for FSP for the current fiscal year and indicated that it is being experienced across the entire State and it is not unique to TCMHA. She then provided an update on the status of the TCMHA audit, noting that the following Monday the audit will begin; that the auditors have made time on their schedule to return to TCMHA to complete the audit that was started previously; that the goal is to have a financial statement opinion on the financial statements before the end of March, which means that they will be able to present their findings to the Governing Board at the April meeting.

Board Member Vera inquired if it is needed to go have a closed session to discuss the reasons the audit had not been completed, specifically to address any issues with the auditors. General Counsel Flower pointed out that he had sent earlier that day an email to the Governing Board, with a memo attached, that explains the reasons for the delays in getting to this point; and to contact him directly if there were any follow-up questions.

6. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria reported that clinical staff is in the process of applying to become a drug Medi-Cal certified site, which would enable them to provide more comprehensive substance use disorder treatment to TCMHA clients. She mentioned that there are three application processes to become certified including one through the Department of Healthcare Services (DHCS), and one through a paid portal and a contracting process with the Los Angeles County Department of Mental Health; that staff have pulled together a interdepartmental work group and they are continuing all the forms and developing policies and procedures; that this will enable them to provide more comprehensive services, to generate revenue for the services they are providing and the cost of the staff that will be providing the services to clients; and stated that the goal is to have the application process completed by the fall and the launch date to start services sometime next year.

7. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Medical Director Teimoori referred to his report where he provided information about the services provided by the clinical team, pop-ups, and collaborations.

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

Director of MHSA and Ethnic Services Barford highlighted the TCMHA Peer mentors, explaining that they are volunteers that come in and work with staff; that five of the Peer Mentors have applied for positions within TCMHA; that they have two that have already received confirmation for employment, and three are waiting to hear back; and pointed out that this is another avenue where individuals have a chance to see what it is like to be a part of community mental health and want to be part of TCMHA.

9. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart reported that staff is continuing their strategic focus on compliance efforts with privacy and security of information, noting that it is a large undertaking; that her team is collaborating with all the departments throughout the agency; that the main objectives they are focusing on are analyzing current threats to privacy and security, client information, internal control, defining critical processes workflow and client flow, so they can have facilitated access to their record when they meet them. She added that they want to ensure that staff have the appropriate and proper cards in place to meet and stay in compliance with the requirements for privacy; and that staff has refresher training and ongoing training as necessary; and pointed out that when they began the project, they did not anticipate it would take as long as it is taking, but they are recognizing the benefits of going deeper in some efforts and broader in others.

GOVERNING BOARD COMMENTS

There was no comment.

PUBLIC COMMENT

MHSA Project Manager Rodriguez distributed information regarding the upcoming community forum regarding Proposition 1, stating that there are two virtual options at noon and 5:30pm; that her contact information is available on the flyer as well and that it is open to everyone. She shared that there will also be further information regarding the mobile crisis care unit.

CLOSED SESSION

At 6:20 p.m., the Governing Board recessed to a Closed Session pursuant to: Conference with Legal Counsel -- Anticipated Litigation; Significant exposure to litigation pursuant to paragraph (2), (3) of subdivision (d) of Section 54956.9: (One case).

RECONVENE TO OPEN SESSION

At 6:58 p.m., the Governing Board reconvened to an open session.

CLOSED SESSION REPORT

There was no reportable action.

ADJOURNMENT

At 6:58 p.m., on consensus of the Governing Board its meeting of February 21, 2024 was adjourned. The next Regular Meeting of the Governing Board will be held on Wednesday, March 20, 2024 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: **March 20, 2024**

TO: **Governing Board of Tri-City Mental Health Authority**
Rimmi Hundal, Executive Director

FROM: **Diana Acosta, CPA, Chief Financial Officer**

SUBJECT: **Review of the Issuance of the Audited Financial Statements for Fiscal Year ended June 30, 2023**

Summary

Eide Bailly, LLP has completed an audit of Tri-City's financial statements for the Fiscal Year ended June 30, 2023. As indicated on page 1 of the Independent Auditor's Report, the accompanying financial statements are presented fairly in all material respects. The final issued report is enclosed herein for your review.

Fiscal Impact:

None.

Recommendation

Staff asks the Governing Board to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2023.

Attachments

Attachment 2-A: Audited Financial Statements for Fiscal Year ended June 30, 2023.

Attachment 2-B: AU 260 Letter to the Governing Board

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED

JUNE 30, 2023

ATTACHMENT 2-A

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Independent Auditor's Report

To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Tri-City Mental Health Authority (Tri-City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tri-City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Tri-City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri-City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, Tri-City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96 – *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to beginning net position as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tri-City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tri-City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tri-City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the that the management's discussion and analysis, schedule of proportionate share of the net pension liability and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, on our consideration of Tri-City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-City's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
March 15, 2024

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023

The following management's discussion and analysis of the Tri-City Mental Health Authority ("Tri-City"), a Municipal Joint Powers Authority ("JPA"), financial statements present a narrative overview and analysis of Tri-City's financial activities for the fiscal year ended June 30, 2023 along with comparative information for fiscal year ended 2022.

BACKGROUND

General

Tri-City Mental Health Authority 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 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 public 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. However, Tri-City is one of two entities 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 Medicaid and Medicare 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 (Early and Periodic Screening, Diagnostic and Treatment) services to an 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, in particular EPSDT funding.

Since Tri-City's formation to the current period, Tri-City has provided mental health care services for the residents of Pomona, Claremont and La Verne. 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 either eligible under the Medi-Cal programs or are indigent. Tri-City Mental Health Authority is continually developing its operations and system of care for the residents of the three cities. This includes the continuation of Tri-City's outpatient clinics and the implementation of any new programs approved through the Mental Health Service Act (MHSA).

Tri-City's outpatient clinics located in Pomona provided services to approximately 2,449 unduplicated clients during the past fiscal year, which include high intensity mental health services through Tri-City's Full Service Partnership (FSP) MHSA program. Through the efforts to provide a continuum of care and in order to meet the needs of Tri-City's residents, even during the COVID-19 crisis, the clinical teams continually implement new groups available to the community both at the outpatient clinics and at the Wellness Center and in the past increased the hours of clinic operations to include later appointment hours for children and their families. Currently Tri-City continues to offer a wide range of flexibilities including video and telephone appointments.

As mentioned above, in addition to the outpatient clinical operations, Tri-City has operations established through the Mental Health Services Act (MHSA). Under the MHSA Act, various programs were established within five plans which include: 1) the Community Services and Support (CSS) Plan; 2) the Prevention and Early Intervention (PEI) Plan; 3) the Workforce Education and Training (WET) Plan; 4) the Innovations (INN) Plan; and 5) the Capital Facilities and Technology (CFTN) Plan. All of these plans have been fully operational since their individual plan approvals and continue to be updated and approved annually through the stakeholder process including Governing Board approval.

In addition to ongoing CSS programs providing mental health services, over several years, Tri-City implemented CSS housing projects under its approved CSS Housing Plan funded by State designated CSS funds and CSS funds approved by the MHSA annual updates. These projects include three apartment developments (owned by the developers), two in the City of Pomona and one in the City of La Verne, as well as the purchase of homes by Tri-City, one home in the City of Pomona and one in the City of Claremont which is currently in the process of being developed as an affordable permanent supportive housing project for seniors. These projects provide low income housing to Tri-City clients that have mental illness and are either homeless or at risk of homelessness. In accordance with the MHSA CSS Housing Plan, all Tri-City residents of these projects are or will receive mental health support from Tri-City.

Funding of Tri-City's operations come from Realignment (initiated in 1991 under the Bronson-McCorquodale Act), MHSA (initiated in 2005 through the passage of Proposition 63) and Medi-Cal reimbursement from the federal and State governments. MHSA funding can only be used for MHSA programs however can be leveraged (as the match) for Medi-Cal reimbursement for services provided through FSP and other MHSA programs. Realignment is the only source of funds besides Medi-Cal reimbursements that can be used to provide Medi-Cal services at the outpatient clinics, as well as non Medi-Cal clinical services and operating costs.

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. Tri-City relies on MHSA funds to provide an array of mental health services approved under its MHSA programs. As further discussed below in this document, State MHSA funds can fluctuate based on new events and economic pressures not currently known, however as a result of various events including the impacts of COVID-19, actual and estimated impacts have been identified and further discussed below.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements include the *Statements of Net Position*, the *Statements of Revenues, Expenses and Changes in Net Position* and the *Statements of Cash Flows*. These Statements should be read in conjunction with *the Notes to the Financial Statements.* A further description of these Statements is provided below.

The *Statements of Net Position* presents information on all of Tri-City's assets, liabilities, and deferred inflow and outflow of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tri-City is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* presents information showing how Tri-City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statements of Cash Flows* reports inflows and outflows of cash and is classified into four components:

- *Cash flows from operating activities* include transactions and events reported as components of the operating income in the Statements of Revenues, Expenses, and Changes in Net Position.
- *Cash flows from non-capital financing activitie*s include proceeds from Realignment, funds received from the State of California for the implementation and provision of services as approved under the Mental Health Services Act, and contributions from member cities.
- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt and the acquisition and construction of capital assets.
- *Cash flows from investing activities* represent proceeds from the receipt of interest.

The following table shows the net position as of June 30, 2023, and 2022:

Statements of Net Position

	2023	2022
Assets		
Current Assets	$ 51,845,422	$ 48,208,663
Capital Assets, Net	8,447,175	7,859,905
Note Receivable	2,800,000	2,800,000
Other Assets	307,240	546,581
Total Assets	63,399,837	59,415,149
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	5,749,104	2,857,668
Total Deferred Outflows of Resources	5,749,104	2,857,668
Liabilities		
Current Liabilities	13,048,334	9,047,325
Noncurrent Liabilities (excluding Net Pension Liability)	2,104,997	1,773,338
Net Pension Liability	8,262,600	2,302,724
Total Liabilities	23,415,931	13,123,387
Deferred Inflows of Resources		
MHSA Revenues Restricted for Future Period	8,349,490	13,290,164
Deferred Inflows Related to Pensions	237,328	2,010,157
Total Deferred Inflows of Resources	8,586,818	15,300,321
Net Position		
Net Investment in Capital Assets	6,770,797	6,756,551
Restricted for MHSA Programs	22,798,801	20,249,230
Unrestricted	7,576,594	6,843,328
Total Net Position	$ 37,146,192	$ 33,849,109

- **Total Assets** are comprised of cash and investments, accounts receivable, capital assets, notes receivable and prepaid deposits.

  - <u>*Comparison of June 30, 2023 to June 30, 2022*</u>. At June 30, 2023, Tri-City reflected an increase in total assets of approximately $3.7 million. The most significant amounts attributing to the increase in total assets includes the increase in accounts receivable of approximately $4.4 million offset by a decrease in cash and investments of approximately $900 thousand and prepaid assets. Total cash and investments at June 30, 2023 was approximately $39 million reflecting a net decrease of approximately $1 million from the balance at June 30, 2022 of $39.9 million. The most significant reasons attributing to the overall decrease in cash is due to a decrease in the collection of MHSA Funds by the state. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and during fiscal year 2022-23, CBHDA had announced a projected decrease to these revenues based on their most recent data. Additionally, early during fiscal year 2023, the State of California announced the extension of tax filing as a result of extreme weather which directly impacted the collection of MHSA funds. The increase of approximately 53% in the accounts receivable balance resulted from an increase to Medi-Cal receivables and realignment receivables as noted at Note #5. Realignment receivable was up approximately $660 thousand as a result of growth in state vehicle license fees and sales taxes. The Medi-Cal receivables balance increased by approximately $2.9 million primarily from the decrease in cash collected during the fiscal year and due to timing of the payments. In fiscal year 2022, Tri-City received approximately $12 million from LA DMH however during fiscal year 2023, Tri-City only collected $8 million. Subsequent to year-end, $739 thousand was received.

- **Deferred Outflows of Resources**

  - <u>*Comparison of June 30, 2023 to June 30, 2022.*</u> Certain amounts attributing to Tri-City's proportionate share of the CalPERS Miscellaneous Cost Sharing Plan liability result in amounts that are deferred due to timing differences. These amounts include contributions paid to the plan by Tri-City subsequent to the measurement date of the net pension liability and are classified within the caption titled Deferred Outflow of Resources. This separate financial statement caption represents a future decrease to net position that applies to a future period and would not be recognized as an outflow of resources (expense) until that time. Accordingly, Tri-City has classified the total amount of $5,749,104 as Deferred Outflows of Resources at June 30, 2023 which reflects an increase of approximately $2.9 million from the prior year. The increase is primarily due to the net difference between expected and actual earnings on pension plan investments and changes of assumptions (also refer to Note #8B).

- **Total Liabilities** are comprised of current and noncurrent liabilities, including lease liabilities, estimated third party payor settlements, net pension liability unearned MHSA revenues and SBITA liabilities.

  - <u>*Comparison of June 30, 2023 to June 30, 2022*</u>. Total liabilities increased by approximately $10.3 million from $13.1 million at June 30, 2022 to $23.4 million at June 30, 2023.

    This total net change of approximately $10.3 million is made up several changes which include increases to accrued payroll liabilities, the net pension liability and the addition of SBITA liabilities. The most significant increase to liabilities was due to the change in net pension liability (as more fully described at Note #8B of the financial statements), which experienced an increase of approximately $6 million in fiscal year ending 2023. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2023 is $8,262,600. The net increase to this liability from fiscal 2022, primarily was as a result of changes in the discount rate from 7.15% to 6.90%. Additionally, the changes also includes net increases and decreases in the changes of assumptions, changes in employer's proportion, differences between projected and actual investment earnings, projected and actual experience, and differences between employer's contributions and proportionate share of contributions.

    The accrued payroll balance of $3.3 million at June 30, 2023 also experienced a significant increase by approximately $3 million as compared to the balance of $300 thousand at June 30, 2022. The increase in the liability reflects an accrual of salaries and wages as a direct result of the outcome of the comprehensive classification and compensation study. The study while mostly completed during fiscal year 2022-23, was not fully processed as of June 30, 2023 and therefore a liability was recorded at year end.

The third largest change in total liabilities included the recognition of a new liability as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This new accounting pronouncement (more fully explained at Note #2Q, Note #3 and Note #13 to the financial statements) required the accounting for the related assets and liabilities associated with these IT subscription arrangements. The resulting liability at June 30, 2023 is $960,430.

The Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) experienced a change from the prior year as a result of funds received that are dedicated to the MHSA CSS and INN Plans however not yet programmed. As noted at June 30, 2023 and at June 30, 2022, noncurrent unearned MHSA revenues were approximately $1.1 million and $1 million, respectively. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2023 and 2022 reflect the receipt of MHSA funds that cannot be used until new or updated MHSA programs have been approved through the required MHSA process, which includes stakeholder meetings and input from stakeholder work groups, review and recommendations by the Mental Health Commission and final Governing Board approval. During fiscal 2023 and 2022, as a result of the review of existing MHSA programs and updates, approximately $8.3 million and $13.3 million in MHSA Revenues Restricted for Future Period was identified as approved and available to be spent in fiscal 2024 and 2023, respectively.

Lastly, the third largest liability in the amount of $6,324,285 for Estimated Third Party Payor Settlements decreased by approximately $53 thousand from the prior year's amount of $6,377,063 as a result of noted decreases in amounts billed during fiscal year 2022-23. As more fully described at Note #7, this liability represents a reserve (approximately 8%) of Medi-Cal revenues already received by Tri-City for services provided. Since the final cost reports for these related revenues have not yet been settled or audited by the State, they are subject to future audits. This liability increases each year as a percentage of each year's billings and would decrease upon Los Angeles County Department of Mental Health's (LAC DMH) final cost report settlement with the State.

- **Deferred Inflows of Resources** is comprised of MHSA Revenues Restricted for Future Period and Deferred Inflows Related to Pensions. This separate financial statement caption represents an increase to net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

  - <u>*Comparison of June 30, 2023 to June 30, 2022*</u>. At June 30, 2023 and June 30, 2022 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of $8.4 million and $13.3 million, respectively. The decrease of approximately $4.9 million was due to an overall decrease of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2024. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and as mentioned previously, during fiscal year 2023, a decrease in MHSA revenues was projected and announced by the State of California as a result of tax filing delay resulting from extreme weather in California. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2023 and 2022 and prior fiscal years, not permitted for use during that fiscal year, but allocated to be used at the beginning of the next fiscal year per an approved MHSA plan.

In addition to MHSA Revenues Restricted for Future Period, the Deferred Inflows of Resources caption includes Deferred Inflows Related to Pensions. As noted previously, and as more fully described at Note #8B, certain differences between expected and actual experiences, changes of assumptions, and changes in proportion associated with the actuarially determined liability are deferred and classified within this caption titled Deferred Inflows of Resources. Accordingly, Tri-City has classified the net effect of these changes in the amount of $237,328 at June 30, 2023 and $2,010,157 at June 30, 2022 as Deferred Inflow of Resources, net of applicable amortization. The net decrease of approximately $1.8 million from fiscal 2022 to 2023 is primarily attributed to various actuarially determined amounts including changes in assumptions, and differences between expected and actual earnings on pension plan investments.

- **Net Position** is the difference between total assets plus deferred outflows of resources, less liabilities and deferred inflow of resources.

  - *At June 30, 2023*. Tri-City's net position at June 30, 2023 was approximately $37.2 million, which is the result of total assets of $63.4 million and total deferred outflow of resources of $5.7 million less total liabilities and deferred inflow of resources of $23.4 million and $8.6 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately $6.8 million (capital assets less the lease and SBITA liabilities), Net Position Restricted for MHSA Programs of approximately $22.8 million, and Unrestricted Net Position of approximately $7.6 million. The increase in Net Investment in Capital Assets of approximately $14 thousand was primarily due to the purchase computer equipment and improvements made to the community garden offset by the annual depreciation in addition to an increase to building improvements as a result of a capital project to upgrade the electrical panels. Additionally, as a result of the implementation of GASB Statement No. 96 (more fully described at Note #2Q, Note #3 and Note #13) assets related to the SBITA have been recognized and resulting in an addition of capital assets in the amount of $1,242,305. The increase of $2.5 million in Net Position Restricted for MHSA Programs, as previously noted, is primarily due to an increase in MHSA funding recognized into revenue which was unspent as of the end of the fiscal year. The Unrestricted Net Position balance increased by approximately $733 thousand, primarily as a result of the significant increase to the Net Pension Liability which is based on the actuarial valuation prepared by CalPERS (also refer to Note #8 for more information) and then offset by the increase to Med-Cal revenue. Additionally, during fiscal year 2022-23, Tri-City received an increase in Realignment revenue of approximately $660 thousand.

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023

The following table shows the change in net position during the fiscal years ended June 30, 2023, and 2022:

Statements of Revenues, Expenses and Changes in Net Position

	2023	2022
Operating Revenues:		
Medi-Cal - Federal Financial Portion	$ 10,051,519	$ 8,005,866
Medi-Cal - State EPSDT	2,100,605	2,100,605
Other Operating Income	146,820	157,820
Total Operating Revenue	12,298,944	10,264,291
Operating Expenses:		
Salaries, wages and benefits	26,994,901	17,863,808
Facility and equipment operating costs	1,679,399	1,841,634
Client lodging, transportation, and supply expense	575,951	776,921
Depreciation	1,199,875	934,545
Other operating expense	2,611,068	1,939,541
Total Operating Expenses	33,061,194	23,356,449
Operating Loss	(20,762,250)	(13,092,158)
Non Operating Revenues (Expenses), Net		
Realignment	5,767,101	5,108,703
MHSA Funding	16,352,860	11,870,955
Other Grants	601,305	234,737
Other Income	-	1,153
Measure H	100	233,926
Contributions from member cities	70,236	70,236
Investment income (loss)	1,051,894	(221,854)
Interest expense	(54,976)	(42,140)
Total Non Operating Revenues (Expenses)	23,788,520	17,255,716
Income Before Special Items	3,026,270	4,163,558
Special Items:		
City of Pomona HUD Loan		
forgivness of debt	29,435	29,437
SB 90 Claims	241,378	
Total Special Items	270,813	29,437
Change in Net Position	3,297,083	4,192,995
Net Position, Beginning of Year	33,849,109	29,656,114
Net Position, End of Year	$ 37,146,192	$ 33,849,109

Fiscal Year 2023 to 2022 Comparisons

- **Operating Revenues** — Operating revenues increased by approximately $2.0 million. This increase is primarily due to a net increase in Medi-Cal revenues generated during the fiscal year, net of provision for doubtful accounts. As reimbursable costs fluctuate from year to year, so are the reimbursement rates through LA DMH. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and the cost per unit of service billed increased primarily resulting from an increase in overall costs and specifically salaries which was impacted by a compensation study that was completed in fiscal 2023.

- **Operating Expenses** — Total operating expenses increased by approximately $9.7 million (41.5%) in fiscal 2023 as compared to fiscal 2022. This increase was mainly due to the increase in salaries and benefits costs of approximately $9.1 million which was directly impacted by the increase in the Net Pension Liability (further explained at Note #8), and then impacted by wage increases, an increase of active employees and mostly impacted by the completion and implementation of the comprehensive classification study that was initiated during fiscal 2021. The study was finally completed during fiscal year 2023, however, during fiscal 2022 the first group of wage increases were implemented and the remaining groups were postponed until such time the study was completed with the understanding that the implementation would be retroactively applied back to March of 2022. At June 30, 2023, accrued salaries and wages included amounts to account for salaries due to staff as a result of the completion of the study however not yet paid.

  Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses. Total facilities and equipment expenses experienced a decrease of approximately $162 thousand across various cost centers primarily a reduction of costs incurred in the prior year associated with Tri-City's unified communications systems. Client lodging costs include costs associated with an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of $396 thousand. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses and the most significant increases in this category include increases in attorney fees and most significantly the nearly doubling of liability insurance due to market conditions and additional umbrella coverage related to our PACT team program (see footnote #17).

- **Operating Loss** — Operating losses do not include non-operating revenues such as Realignment funding or MHSA funding, which are two of Tri-City's major sources of funding (see Note #2B for further discussion). These funds are included in non-operating revenues as discussed below. Therefore, the financial statement presentation reflects operating losses of approximately $20.8 million in fiscal 2023 compared to $13 million in 2022. The increase in operating losses resulted primarily from an increase in salaries and benefits expense as a direct result of the actuarial valuation that increased the Net Pension Liability as previously discussed. Additionally, and as noted above, a significant increase to accrued payroll at June 30, 2023 was the direct result of the completion of the comprehensive classification and compensation study that also contributed to the increase in salaries expense. The study as noted above, was completed just subsequent to the year and being processed, however not yet paid to employees as of June 30, 2023.

- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately $23.8 million in fiscal 2023 and $17.3 million in fiscal 2022, an increase of approximately $6.5 million. This change is mainly due to the increase in MHSA funds recognized during fiscal 2022-23 by approximately $4.5 million and by the increase in 1991 Realignment of approximately $660 thousand. As noted previously, MHSA Funds are recognized in the fiscal year in which an approved plan has been adopted through the required MHSA Update process. The 2022-23 MHSA update reflected a total increase in required MHSA funds primarily as a result of projected increased planned expenditures within the MHSA Approved Plans, which included increased expenditures in the WET and CFTN Plans. Additionally, an increase in 1991 realignment was experienced through a combination of state vehicle license fees and sales tax.

- **Changes in Net Position —** Tri-City's change in net position as of June 30, 2023 decreased by approximately $895 thousand compared to fiscal year 2022. The total change in net position of $3.3 million for fiscal 2023 relates to operating revenues and non-operating revenues exceeding operating expenses. A net total increase to net position was experienced during fiscal year 2023 despite the increase in overall operating expenses of approximately $9.7 million. The increase in operating expenses was primarily as a result of the change in the net pension liability and accrued payroll liability with both of these resulting in a total increase to salaries, wages and benefits expense by approximately $9.1 million. As noted previously, the recognition of the net pension liability was as a result of the required implementation of GASB Statement No. 68 during fiscal 2015 which among other disclosures, required the recording of Tri-City's proportionate share of the net pension liability determined through the preparation of an actuarial valuation by CalPERS. Recognition of the pension liability at June 30, 2023 of $8,262,600 as compared to the prior year balance of $2,302,724 resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability. Additionally, and as noted above, a significant increase to accrued payroll at June 30, 2023 was the direct result of the completion of the comprehensive classification and compensation study that also contributed to the increase in salaries expense. The study as noted above, was completed just subsequent to the year and being processed, however not yet paid to employees as of June 30, 2023.

Capital Asset and Debt Administration

	Capital Assets (Net of Depreciation) 2023	2022
Land	$ 2,520,749	$ 2,520,749
Buildings and improvement	3,923,842	3,826,016
Leasehold improvements	-	-
Furniture and equipment	326,206	439,221
Right to Use - Building Leases	715,948	1,073,919
Right to Use - SBITA	960,430	-
Total	$ 8,447,175	$ 7,859,905

Tri-City's investment in capital assets as of June 30, 2023 and June 30, 2022 totaled approximately $8.4 million and $7.9 million, respectively. This investment in capital assets includes land, buildings and improvements, leasehold improvements, furniture and equipment and during fiscal 2022 Tri-City included intangible assets as a result of implementing GASB 87. As previously noted above and as a result of implementing GASB 87, existing leases previously identified as operating leases were required to be identified as lease liabilities on the Statement of Net Position with corresponding intangible assets equal to the lease liability, net of amortization. As part of the requirement of the GASB, this change was recorded retroactively. Additionally, and as more fully described at Note #2Q, Note #3 and Note #13, GASB 96 was implemented in fiscal year 2023 which included the recognition of assets related to IT subscription arrangements. Aside from the implementation of GASB 87 and GASB 96, the most significant changes that occurred with regard to capital assets in fiscal 2022, included the increase to building and improvements for the electrical upgrade project, and replacement of air conditioning units, and additions to IT infrastructure including new computers. Depreciation & Amortization expense for year ending June 30, 2023 and June 30, 2022 was approximately $1.2 million and $1 million, respectively with the noted increase related to the implementation of GASB 87 and GASB 96. Additional information on Tri-City's capital assets can be found in Note #6 to the financial statements.

	Noncurrent Liabilities	
	2023	**2022**
City of Pomona HUD Loan	-	29,435
Lease Liabilities	357,977	715,948
SBITA	666,689	-
Net pension liability	8,262,600	2,302,724
Unearned MHSA revenues	1,080,331	1,027,955
Total	$ 10,367,597	$ 4,076,062

Noncurrent liabilities include the Net Pension Liability (further explained at Note #8B to the financial statements), the Unearned MHSA Revenues (further explained at Note #2M and Note #9 to the financial statements), and lease liabilities which, as described previously, were new to the Statement of Net Position in fiscal year 2022 after the implementation of GASB Statement No. 87. Additionally, during fiscal year 2023, GASB Statement No. 96 was implemented which resulted in the recognition of liabilities related to Subscription Based Information Technology Arrangements (SBITA). The implementation of this GASB Statement required the recognition of assets relating to the right to use subscription IT assets, in addition to the corresponding liability. Further details relating to GASB Statement No. 96 are included at Note #2Q, Note #3 and Note #13 to the financial statements.

The most significant events with regard to noncurrent liabilities during the fiscal year ending June 30, 2023 included the following:

<u>2023</u>

- As further explained at Note #11, the HUD loan is a forgivable loan and during fiscal year 2023, the remaining approximately $29 thousand was forgiven by the City of Pomona reducing the balance to zero.
- The noncurrent portion of Lease Liabilities in the amount of $358 thousand at June 30, 2023 and $715 thousand at June 30, 2022 was new to the Statement of Net Position in the prior year as a result of the implementation of GASB 87 as further explained at Note #12. While the actual leases (for office space at the Royalty Building) are not considered new, the leases previously identified as operating leases met criteria under the new GASB statement which required the leases be recognized as a long-term liabilities and intangible assets on the Statement of Net Position. The implementation of GASB 87 occurred in fiscal 2022 which also required the recording of the liability.
- During fiscal year 2023, the implementation of GASB Statement No. 96 S*ubscription-Based Information Technology Arrangements* (SBITA) was required which included the recognition of assets and liabilities related to SBITAs (further explained at Note #2Q, Note #3 and Note #13 to the financial statements). At June 30, 2023 the amount of SBITA liabilities was $666,689.
- Based on the CalPERS actuarial valuation, the net pension liability increased by approximately $6 million. Refer to Note #8B to the financial statements for further details.
- As further described at Note #2L, when MHSA funds are received they do not yet meet eligibility requirements and as such, are classified as Unearned Revenues on the Statement of Net Position as Noncurrent Liabilities until they are approved for programming. The net increase of approximately $52 thousand in Unearned MHSA Revenues, represents funds received during fiscal year 2023 that have not yet been approved for programming.

Economic Factors

Tri-City has three significant sources of revenue (MHSA, 1991 Realignment and Medi-Cal) and the impact was experienced in two of these three sources.

<u>MHSA</u> - The California Behavioral Directors Association (CBHDA) provides continual information to county behavioral health departments that includes updates on legislation, the State budget and projections of behavioral health revenue sources. During fiscal year 2021-22, an increase to MHSA funds was experienced by approximate $1.9 million. According to the latest projections, fiscal year 2023-24 is expected to experience another increase in MHSA cash flows as compared to the amounts received in the current fiscal year 2022-23. This increase is primarily due to an expected significant annual adjustment specifically from the 2020 and 2021 tax filings and due to any growth or true-ups. Additionally, delays in tax filings as a result of extreme weather, delayed cash receipts expected in the current fiscal year to the subsequent fiscal year. For example, receipts of approximately $10.3 million were received in the month of August 2023, which represents nearly 90% of total receipts received in the current fiscal year 2022-23.

<u>1991 Realignment</u> - As mentioned above, CBHDA periodically provides updated information and estimates for 1991 Realignment. Tri-City's third largest source of revenue (1991 realignment) is funded through a combination of vehicle license fees and sales tax. Absent change to legislation, Tri-City is guaranteed a base amount of 1991 realignment annually, however growth is not guaranteed. During fiscal year 2022-23, Tri-City did receive its guaranteed base along with an additional $2.1 million in growth and a total increase of approximately $1.5 million in the prior year. According to CBHDA and consistent with the Governor's budget, Tri-City expects to receive

its minimum base of approximately $3.7 million annually, in addition to continuing to receive some growth for the next couple of years however not as significant as in fiscal years 2022 and 2023.

CalAIM - The Payment Reform portion under California's Advancing and Innovating Medi-Cal (CalAIM) is set to take place beginning in fiscal year 2023-24. Continuing discussions with LA DMH indicates that Tri-City should not expect any changes in payment mechanism as the LA DMH contract is not due for renewal until Fiscal year 2025.

Other Historical Factors

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. Since then individuals qualifying for expanded Medi-Cal in the Tri-City area are either current Tri-City clients receiving mental health services from Tri-City as unfunded clients or are seeking services from Tri-City as a new client. 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 that become eligible under expanded Medi-Cal (MCE) will be served. The cost of services provided by Tri-City for residents qualifying under MCE were to be reimbursed at 100% through Federal Financial Participation (FFP) for the first three calendar years (2014 thru 2016). As of January 1, 2017, the reimbursement was reduced to 95%, then to 94% as of January 1, 2018, and to 93% as of January 1, 2019. Beginning January 1, 2020 and thereafter, the rate was reduced to 90%. In order to ensure proper reimbursement, Tri-City's contract with LA DMH includes language regarding MCE and Tri-City's authority to bill for such services through LA DMH.

During fiscal year 2015-16 new legislation, Assembly Bill 1618, was passed in California for the purpose of funding a new program titled "No Place Like Home" and would potentially redirect 7% of the annual MHSA tax revenue thereby decreasing MHSA funds that will be allocated and received by California counties and Tri-City in the future. At the November 6, 2018 statewide general election the No Place Like Home Act of 2018 was approved by the voters. MHSA funding projections included above, already take into account the 7% redirection in MHSA funding.

Liquidity

At June 30, 2023, Tri-City had approximately $39 million in cash. Of this amount, approximately $30.5 million is cash that is immediately available but restricted only for the implementation and provision of services under approved MHSA programs, $8.5 million is cash available for Tri-City's outpatient clinic operations and of these amounts approximately $1.1 million (which is reflected as unearned revenues) is restricted for future MHSA programs developed and recommended through the MHSA process and approved by Tri-City's Governing Board.

Request for Information

These financial statements are designed to provide our citizens a general overview of Tri-City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tri-City Mental Health Authority, 1717 N. Indian Hill Boulevard, #B, Claremont, California 91711.

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Current Assets:	
Cash and investments *(Note #4)*	$ 8,561,016
Restricted cash and investments for MHSA programs *(Note #4)*	30,534,371
Accounts receivable, net of allowance for uncollectible accounts of $841,207 at June 30, 2023 (Note #5A)	12,750,035
Total Current Assets	51,845,422
Noncurrent Assets:	
Land	2,520,749
Capital assets being depreciated, net of accumulated depreciation *(Note #6)*	5,926,426
Note receivable *(Note #5B)*	2,800,000
Prepaid deposits *(Note #2E)*	307,240
Total Noncurrent Assets	11,554,415
Total Assets	63,399,837
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions *(Note #8B)*	5,749,104
LIABILITIES	
Current Liabilities:	
Accounts payable	614,921
Accrued payroll	3,327,204
Accrued vacation and sick leave	1,671,537
Other accrued liability	458,675
Estimated third party payor settlements *(Note #7)*	6,324,285
Current portion of lease liabilities *(Note #12)*	357,971
Current portion of SBITA liabilities *(Note #13)*	293,741
Total Current Liabilities	13,048,334
Noncurrent Liabilities:	
Lease liabilities (*Note #12*)	357,977
SBITA liabilities (Note #13)	666,689
Net pension liability (*Note #8B*)	8,262,600
Unearned MHSA revenues *(Note #9)*	1,080,331
Total Noncurrent Liabilities	10,367,597
Total Liabilities	23,415,931
DEFERRED INFLOWS OF RESOURCES:	
MHSA revenues restricted for future period *(Note #9)*	8,349,490
Deferred inflows related to pensions *(Note #8B)*	237,328
Total Deferred Inflows of Resources	8,586,818
NET POSITION	
Net investment in capital assets	6,770,797
Restricted for MHSA programs *(Note #10)*	22,798,801
Unrestricted	7,576,594
Total Net Position	$ 37,146,192

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenues:		
Medi-Cal, net of provision for disallowances and bad debts	$	12,152,124
Medicare		21,423
Contracts		17,500
Rental income		75,340
Patient fees and insurance		1,458
Other income		31,099
Total Operating Revenues		12,298,944
Operating Expenses:		
Salaries, wages, and benefits		26,994,901
Facility and equipment operating costs		1,679,399
Client lodging, transportation, and supply expense		575,951
Depreciation & Ammortization		1,199,875
Other operating expense		2,611,068
Total Operating Expenses		33,061,194
Operating Income (Loss)		(20,762,250)
Non-Operating Revenues (Expenses):		
Realignment		5,767,101
MHSA funding		16,352,860
Measure H		100
Other Grants		601,305
Contributions from member cities		70,236
Investment income (loss)		1,051,894
Interest expense		(54,976)
Total Non-Operating Revenues (Expenses)		23,788,520
Income before Special Items		3,026,270
Special Item:		
SB90 Claims (Note #5)		241,378
City of Pomona HUD Loan (Note #11) forgiveness of debt		29,435
Total Special Items		270,813
Change in Net Position		3,297,083
Net Position at Beginning of Year, as restated (Note #14)		33,849,109
Net Position at End of Year	$	37,146,192

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from and on behalf of patients	$ 10,448,818
Payments to suppliers and contractors	(3,893,886)
Payments to employees for salaries and benefits	(22,672,435)
Net Cash Used by Operating Activities	(16,117,503)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Funding from Mental Health Services Act	11,464,562
Realignment	3,833,964
Contributions from member cities	70,236
Other Grants	601,405
Net Cash Provided by Noncapital Financing Activities	15,970,167
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(544,840)
Payment made on leases liabilities	(357,971)
Payment made on SBITA liabilities	(281,875)
Interest paid on capital debt	(54,976)
Net Cash Used by Capital and Related Financing Activities	(1,239,662)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	590,836
Net Cash Provided by Investing Activities	590,836
Net Increase (Decrease) in Cash and Cash Equivalents	(796,162)
Cash and Cash Equivalents at Beginning of Year	39,891,549
Cash and Cash Equivalents at End of Year	$ 39,095,387
Reconciliation of Cash to Statement of Net Position:	
Cash and Investments	8,561,016
Restricted cash and Investments	30,534,371
Total cash and Investments	$ 39,095,387

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Reconciliation of Operating Income (Loss) from Operations to Net Cash Used by Operating Activities:	
Operating Income (Loss)	$ (20,762,250)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation & Ammortization	1,199,875
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, net of allowance	(1,797,348)
(Increase) decrease in deposits	239,341
Increase (decrease) in accounts payable	340,100
Increase (decrease) in accrued payroll liabilities	3,027,259
Increase (decrease) in accrued leave	(404)
Increase (decrease) in other accrued liabilities	393,091
Increase (decrease) in estimate for third party payor settlements	(52,778)
Increase (decrease) in deferred inflows related to pensions	(1,772,829)
(Increase) decrease in deferred outflows related to pensions	(2,891,436)
Increase (decrease) in net pension liability	5,959,876
Net Cash Used by Operating Activities	$ (16,117,503)

The accompanying notes are an integral part of the financial statements.

NOTE #1 – DESCRIPTION OF REPORTING ENTITY

Tri-City Mental Health Authority (Tri-City) is a Joint Powers Agency formed on June 21, 1960, pursuant to the Short-Doyle Act (included in the Welfare and Institutions Code of California). This act authorized two or more cities to develop mental health services and facilities. The Joint Powers Agreement among the Cities of Pomona, Claremont and La Verne was amended in December 2007 and calls for a governing body of seven members (two Pomona council members, one Claremont council member, one La Verne council member and one non-elected member from each city). The governing body appoints a local director to administer the program.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Tri-City have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The Government Accounting Standards Board is the recognized standard setting body for establishing governmental accounting and financial reporting principles for governments. Tri-City has adopted the accounting principles and methods appropriate for a governmental enterprise activity.

B. Basis of Accounting

The accounts of Tri-City are organized in a single enterprise (proprietary type) fund and maintained on the accrual basis of accounting. Proprietary fund financial statements include the Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, and the Statement of Cash Flows.

Proprietary fund types are accounted for using the “economic resources” measurement focus and accrual basis of accounting. This means that all assets and liabilities (whether current or non-current) including deferred inflows of resources and deferred outflows of resources associated with the activity are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position of the proprietary fund present increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Realignment funds received from the State are required to be used by the Agency to provide mental health services, however, the Realignment funds received are allocated by the State based on State sales tax receipts. Therefore, the Realignment funds are not directly tied to billing for actual services provided and thus included as a non-operating revenue item. In addition, MHSA funds, as more fully described at *Notes #9 and #10,* are also reflected as non-operating revenues because they are “Non-Exchange Transactions”.

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, Tri-City considers cash and cash equivalents as short-term highly liquid investments that are both readily convertible to known amounts of cash. At June 30, 2023, Tri-City’s cash and cash equivalents included pooled cash balances and investments in the Local Agency Investment Fund (LAIF).

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Capital Assets

Capital assets owned by Tri-City are capitalized at historical cost and contributed assets (if any) are recorded at acquisition value. Depreciation is charged to operations using a straight-line method, based on the estimated useful life of the asset. The estimated useful lives of the buildings, automobiles, property, and equipment range from three to twenty years. Capital assets are defined by Tri-City to be land, buildings and improvements, leasehold improvements, furniture and equipment and vehicles with an initial individual cost of more than $1,000. Estimated useful lives of the various classes of property are as follows:

Buildings and improvements	20 years
Equipment	3 years
Furniture	5 years
Vehicles	3 years
Leasehold improvements	5 years

E. Prepaid Deposits

Prepaid deposits include prepaid expense, security, rental and utility deposits that have been paid to third parties. At June 30, 2023, Tri-City had prepaid deposits outstanding in the amounts of $307,240.

F. Compensated Absences and Sick Leave

Full-time employees can only accrue up to a maximum of 240 hours of vacation time and may be paid up to 240 hours of accrued sick time upon separation. Therefore, accumulated unpaid vacation and sick time up to 240 hours per employee, is recognized as a liability of Tri-City. Both vacation and sick time may be cashed out upon separation. All employees accrue sick leave at the rate of eleven days per year. Additional hours over 240 can be rolled into the California Public Employees' Retirement System (PERS) Retirement Plan as additional service credit if the employee is retiring at the time of separation.

Part-time employees shall accrue sick leave at a rate of 1 hour for every 30 hours worked up to 24 hours per a 12-month period. Unused accrued sick leave of part-time employees may not be cashed out upon termination and therefore is not recognized as a liability by Tri-City.

G. Restricted Resources

When both restricted and unrestricted resources are available for use, it is Tri-City's policy to use restricted resources first for the designated program, and then unrestricted resources as they are needed.

H. Operating Revenues and Expenses

Tri-City's Statement of Revenues, Expenses, and Changes in Net Position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing mental health care services, Tri-City's principal activity. Voluntary and government mandated non-exchange revenues received are reported as non-operating revenue when all eligibility requirements are met. As such, Tri-City has classified State Realignment and MHSA funds allocated to the Agency for the provision of mental health services, as non-operating revenues. Operating expenses are all expenses incurred to provide mental health care services, other than financing costs.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Nominal Fee Provider

Tri-City provides care to patients who meet certain criteria under the California Department of Mental Health (now the Department of Health Care Services) Uniform Method for Determining Ability to Pay (UMDAP) policy. When charges are determined to qualify under UMDAP, Tri-City follows collection requirements as stated by UMDAP guidelines.

J. Medi-Cal Revenue

Tri-City submits its Medi-Cal claims through Los Angeles County of Department of Mental Health (LAC DMH) and receives FFP cost reimbursement for all qualifying mental health services. Revenue under this third-party payor agreement is reported at the estimated net realizable amounts and is subject to audit and retroactive adjustment. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

K. Realignment Revenue

In 1991, the Medi-Cal program (Short-Doyle Act) was revised under the Bronson-McCorquodale Act, which is known as Realignment. Realignment is a mechanism for the State of California to fund the public mental health system and provide matching funds for the Federal Financial Participation (FFP) of the funding. Through 2013, "1991" Realignment was derived from State Vehicle License Fees and Sales Tax collected at the State level. In 2013, the State created a new "2011" Realignment account that is funded through State taxes. This new Mental Health Fund is allocated to counties that are Mental Health Plans and is used to cover the State's required FFP match for Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services as well as funds for newly realigned mental health services previously run by the State.

Tri-City is not a Mental Health Plan and does not directly receive "2011" Realignment. However, Tri-City will continue to receive "1991" Realignment directly from the State and will receive State EPSDT match for FFP funded by "2011" Realignment through its contract with LA DMH.

L. Mental Health Services Act (MHSA) Revenue

Tri-City receives MHSA funds to provide mental health programs and services included in the approved MHSA plans. MHSA funds are recorded as non-operating revenues on the Statement of Revenues, Expenses and Changes in Net Position when eligibility requirements are met, including time restriction requirements. The MHSA funds received for programs not yet meeting these eligibility requirements, are recorded as Unearned Revenues on the Statement of Net Position as Noncurrent Liabilities (amounts unapproved by a plan) and as MHSA Revenues Restricted for Future Period under Deferred Inflow of Resources (amounts approved for the beginning of the next fiscal year).

M. Contributions

Revenues from contributions are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for specific operating purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Every year, the Cities of Pomona, Claremont, and La Verne each contribute operating funds to Tri-City to meet matching requirements under Realignment. These entities are considered related parties as they are member agencies *(Note # 17)*.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures at the date of the financial statements. While management believes that these estimates are adequate as of June 30, 2023, it is reasonably possible that actual results could differ from those estimates. Certain estimates relate to accounts receivable *(Note #5)*, deferred outflows and inflows of resources *(Note #8B)* and estimated third party payor settlements *(Note #7).*

O. Net Position

Net position of Tri-City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase of those assets. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by any liabilities payable from restricted assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The Statements of Net Position report $22,798,801 of restricted net position, at June 30, 2023, which include MHSA funds that are restricted for use in MHSA programs. Net Investment in Capital Assets of $6,770,797 is equal to Tri-City's capital assets at June 30, 2023 (Note #6), net of the related lease liabilities and SBITA liabilities. The remaining Unrestricted Net Position at June 30, 2023 of $7,576,594. The unrestricted net position is available for the general operations of Tri-City.

P. Leases

Lease liabilities are recorded in accordance with GASB 87 which represents is the financial obligation for the payments required by Tri-City, discounted to present value. GASB 87 also requires the recognition of an intangible right-to-use lease asset in conjunction with the liability. As of June 30, 2023 Tri-City has recognized a lease liability in the amount of $715,948. As of June 30, 2023 Tri-City has recognized an right-to-use lease asset in the amount of $1,753,343 and accumulated amortization in the amount of $1,037,395. Amortization expense is recognized on a straight-line basis over the life to the associated agreement.

Q. SBITA

Right to use subscription IT assets are recognized at the subscription commencement date and represent Tri-City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight line method. The amortization period varies from 3 to 5 years. Subscription Liabilities represent Tri-City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by Tri-City. See further details at Note #13.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Deferred Outflows/Inflows of Resources

In addition to assets reported on the Statements of Net Position, Tri-City will sometimes report a separate section for deferred outflows of resources. This separate financial statement caption represents a consumption of net position that applies to a future period and so, will not be recognized as an outflow of resources (expenditure) until then. At June 30, 2023 Tri-City reported $5,749,104 in deferred outflows of resources related to pensions as further explained at Note #8B.

In addition to liabilities reported on the Statements of Net Position, Tri-City will sometimes report a separate section for deferred inflows of resources. This separate financial statement caption represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Tri-City reports MHSA revenues restricted for future periods as an inflow of resources in the period that the amounts become available. Also refer to Note #9, for additional details relating to MHSA revenues restricted for future period and unearned MHSA revenues. Additionally, Tri-City reported $237,328 at June 30, 2023 respectively in deferred inflows of resources related to pensions as further explained at Note #8B.

S. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Tri-City's California Public Employees Retirement System (CalPERS) plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Fair Value Measurement

Tri-City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE #3 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

Effective In Current Fiscal Year

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for periods beginning after December 15, 2021. Tri-City has determined that there is no material effect to the Financial Statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement is effective for periods beginning after June 15, 2022. Tri-City has determined that there is no material effect to the Financial Statements.

GASB Statement No. 96 – In May 2020, the GASB 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.

The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position was zero (Note #14).

NOTE #3 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS, Continued

Effective in Future Years

GASB Statement No. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Tri-City has not determined the effect of this Statement.

NOTE #3 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS, Continued

GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for reporting periods beginning after June 15, 2023. Tri-City has not determined the effect of this Statement.

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement is effective for reporting periods beginning after December 15, 2023. Tri-City has not determined the effect of this Statement.

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for reporting periods beginning after June 15, 2024. Tri-City has not determined the effect of this Statement.

NOTE #4 – CASH AND INVESTMENTS

As of June 30, 2023, cash and investments in the Statements of Net Position consisted of the following:

Cash on hand	$ 2,030
Deposits with financial institutions	4,516,928
Deposit with Local Agency Investment Fund (LAIF)	34,576,429
Total Cash and Investments	$ 39,095,387

NOTE #4 – CASH AND INVESTMENTS, Continued

Investments

Tri-City is authorized under California Government Code to make direct investments. Tri-City has adopted an investment policy that is more restrictive and is limited to the following investments types:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	20%	$250,000
Local Agency Investment Fund (LAIF)	N/A	None	$75,000,000 per account

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As noted above, as of June 30, 2023 all of Tri-City's investments are held in LAIF. The total balance of investments in LAIF is liquid and available for withdrawal at any time.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2023, $34,576,429 of cash and investments were placed in Tri-City's LAIF account. LAIF is not rated.

NOTE#4 - CASH AND INVESTMENTS, Continued

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State laws (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

At June 30, 2023, Tri-City's total cash balances held by banks and collateralized by the pledging Financial Institutions under the California Government Code, but not in Tri-City's name, was $4,880,413, respectively. Amounts held by banks and collateralized under the California Government Code are not FDIC insured.

Investment in State Investment Pool

Tri-City is a voluntary participant in the LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Tri-City's investment in this pool is reported in the accompanying financial statements at amounts based upon Tri-City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The total balance in the LAIF is available for withdrawal. The California Local Agency Investment Fund is not insured or collateralized.

Restricted Cash and Investments

Cash and investments reflected on the Statements of Net Position as restricted was $30,534,371 at June 30, 2023. Restricted cash represents cash received from MHSA funding that is only available to use for expenses of MHSA programs approved under Tri-City's MHSA plans. Therefore, amounts reflected on the Statements of Net Position which include MHSA current operating liabilities will be funded through the MHSA restricted cash balance and collection of MHSA Medi-Cal receivables.

NOTE #4 – CASH AND INVESTMENTS, Continued

Fair Value Measurements

Tri-City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2023, Tri-City held no individual investments. All funds are invested in LAIF.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Tri-City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, Tri-City's investments in LAIF at June 30, 2023 are uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

NOTE #5 – RECEIVABLES

A - Accounts Receivable

Accounts receivable at June 30, 2023, consisted of the following:

Accounts Receivable:	
Medi-Cal	$ 10,201,249
Medicare	839
Realignment	1,933,137
Grants and Contracts	534,753
SB 90 Claims	241,379
Interest & Other Receivables	679,885
Total Accounts Receivable	$ 13,591,242
Less: Allowance for Doubtful Accounts	(841,207)
Accounts Receivable, Net	$ 12,750,035

Services delivered to Medi-Cal eligible clients are reimbursed to Tri-City through a contract with LA DMH. The outstanding balance for Medi-Cal services was $10,201,249 at June 30, 2023 and represent services provided during fiscal year 2023 and for prior years. In accordance with Tri-City's original contracts with the Los Angeles County Department of Mental Health (LAC DMH), a percentage of the Medi-Cal FFP and State EPSDT reimbursement payments received by LAC DMH for mental health services provided by Tri-City to Medi-Cal eligible clients were to be withheld by LAC DMH pending preliminary settlement or final audit of the cost reports filed for the contract periods. Commencing with fiscal 2014-15, this withholding was eliminated in the contract with LA DMH. The allowance for doubtful accounts is estimated based on withholding percentages previously used by LAC DMH, and will be adjusted upon settlement of the cost reports. The provision expensed in fiscal 2023 for doubtful accounts was approximately $24 thousand.

B - Note Receivable

In March of 2021 Resolution #578 approved a Loan Agreement secured by a deed of trust on the property, a Regulatory Agreement, and Supportive Services Agreement with West Mission Housing Partners, LP for the development, construction, financing and operation of 10 units of affordable and permanent supportive housing in the amount of $2.8 million. The Note shall accrue simple interest at the rate of 3% per annum on outstanding principal. The Note is due 55 years after the completion of and issuance of a certificate of occupancy. As of June 30, 2023, Tri-City has recorded $168,000 of accrued interest receivables and interest income related to the note.

Commencing on the completion of and issuance of a certificate of occupancy for the Project, annual payments of 17.95% of Residual Receipts for the preceding annual period shall be paid to Tri-City and applied to the sums outstanding under the Note.

NOTE #6 – CAPITAL ASSETS

The following schedule summarizes capital asset activity for the year ended June 30, 2023:

	Beginning Balance, as Restated	Additions	Deletions	Ending Balance
June 30, 2023:				
Capital Assets not being depreciated:				
Land	$ 2,520,749	$ -	$ -	$ 2,520,749
Capital Assets, being depreciated:				
Buildings and improvements	8,499,324	445,463	-	8,944,787
Leasehold improvements	105,878	-	-	105,878
Furniture and equipment	2,445,014	99,377	(57,799)	2,486,592
Right to use - Building Leases (*Note #12*)	1,753,343	-	-	1,753,343
SBITA (Note #13)	597,717	644,588	-	1,242,305
Total Capital Assets being depreciated	12,803,559	1,189,428	(57,799)	14,532,905
Less accumulated depreciation for:				
Buildings and improvements	(4,673,308)	(347,637)	-	(5,020,945)
Leasehold improvements	(105,878)	-	-	(105,878)
Furniture and equipment	(2,005,793)	(212,392)	57,799	(2,160,386)
Right to use - Building Leases (*Note #12*)	(679,424)	(357,971)	-	(1,037,395)
SBITA (Note #13)	-	(281,875)	-	(281,875)
Total Accumulated Depreciation	(7,464,403)	(1,199,875)	57,799	(8,606,479)
Total Capital Assets being depreciated	5,339,156	(10,447)	-	5,926,426
Capital Assets, Net	**$ 7,859,905**	**$ (10,447)**	**$ -**	**$ 8,447,175**

NOTE #7 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE

Reimbursements and revenue recorded for services provided under the Medi-Cal program through the contract with LA DMH are subject to audit and retroactive adjustment through review of annual cost reports. Management's estimates for potential interim settlements and audit adjustments are recorded as reserves during the year the services are provided and reflected as "Estimated Third Party Payor Settlements." Adjustments for actual interim settlement letters issued and final audit adjustments are recorded in the year the amounts are finalized and reflected as "Cost Report Payable". At June 30, 2023, no outstanding cost report payables exist.

Estimated Third Party Payor Settlements

Tri-City's Estimated Third Party Payor Settlements are included in current liabilities. Estimated Third Party Payor Settlements reflected in current liabilities is $6,324,285 at June 30, 2023. These amounts include estimated Medi-Cal settlements payable for the fiscal year ended 2005 and reserves on Medi-Cal revenues received for services provided under contract with LAC DMH from fiscal 2015 through fiscal 2023. The reserves for fiscal years 2015 through 2023 are estimated based on LAC DMH's past practice withholding percentages applied for each fiscal year. Since the cost reports for these years have either: 1) not been settled or reviewed by the State, 2) are subject to future audits, or 3) have been audited but audit appeals remain outstanding, the reserves for disallowances on the Medi-Cal payments received are reflected as a current liability. Once LAC DMH finalizes its cost report settlement with the State, Tri-City expects that the County will pass on the settlement to Tri-City at which time Tri-City would remove the reserve amount related to that fiscal year.

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION

Tri-City Mental Health Authority offers the following plans:

A. Tri-City 401A Money Purchase Plan

Prior to July 1, 2000, all employees were required to enroll in the Tri-City 401A Money Purchase Plan (the "MPP"), a defined contribution plan, on the date of hire in lieu of social security. Effective July 1, 2000, only part-time employees qualified for the MPP since all full-time employees were transferred into CalPERS. Employees are not required and do not contribute to the MPP. For all participating employees, Tri-City contributes an amount equal to 7.5 percent of the employee's annual gross salary reportable for Federal income tax purposes to the plan's administrator, Lincoln Financial Insurance Company. An employee is 100 percent vested in the retirement plan upon entry into the MPP. Benefit terms may be amended by Tri-City, the plan sponsor. Tri-City's contribution to the MPP for the fiscal years ended June 30, 2023 was $5,344.

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

B. California Public Employees' Retirement System (PERS)-Cost Sharing Employer Plans

Plan Description – Employees of Tri-City participate in the California Public Employees Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Tri-City's plans consist of both the Classic Tier and the PEPRA Tier within the Cost Sharing Plan's Miscellaneous Risk Pool. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. The establishment of the PEPRA Tier created new retirement formulas for newly hired members. All qualified permanent and probationary employees are eligible to participate in PERS. Benefit provisions under the Tiers are established by State statute and Tri-City resolution.

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information can be found on the CalPERS website at: https://www.calpers.ca.gov/page/employers/actuarial-resources

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 for classic members and age 52 for PEPRA members with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service; however, must be actively employed at the time of disability. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous Pool	
	Classic	**PEPRA**
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-62
Monthly benefits, as a % of annual salary *	1.426% to 2.0%	1.0% to 2.0%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.880%	7.590%

* These percentages will vary based on age of retiree and could increase for retirees who prolong their retirement.

Contributions – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for each of the Tiers within the Plan are determined annually on an actuarial basis as of June 30 by CalPERS.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis.

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Tri-City employees enrolled in the PERS are required to contribute the "employee" contribution of 7% for the Classic Tier and 6.75% for the PEPRA Tier of their annual covered salary. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. Benefit provisions and all other requirements are established by State statue. Full time employees or part-time employees that exceed 1,000 hours of work time in any fiscal period are eligible under this plan and must follow the contribution guidelines. The vesting period to receive pension retirement is five years. If an employee terminates before five years, they may withdraw their "employee" contributions to the plan.

For the year ended June 30, 2023, Tri-City's contributions to the Plan were $1,877,761, which includes Tri-City's required contributions for the unfunded liability of $509,007.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2023, Tri-City reported a liability for its proportionate share of the net pension liability of the Plan of $8,262,600.

Tri-City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan at June 30, 2023 is measured as of June 30, 2022, and the total pension liability for the Plan is used to calculate the net pension liability which was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. Tri-City's proportion of the net pension liability was based on a projection of Tri-City's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined.

Tri-City's proportionate share of the net pension liability, measured as of June 30, 2021 and 2022 is as a follows:

	Plan
Proportion - June 30, 2021	0.12127%
Proportion - June 30, 2022	0.17658%
Change in proportion- Increase (Decrease)	0.05531%

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

At the year ended June 30, 2023, Tri-City recognized pension expense (credit) of $3,173,372 associated with the net pension liability. At June 30, 2023, Tri-City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources		
Tri-City contributions subsequent to measurement date	$	1,877,761
Changes of assumptions		846,676
Net difference between expected and actual earnings on pension plan investments		1,513,489
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions		116,705
Changes in employer's proportion		1,228,544
Differences between expected and actual experience		165,929
Total Deferred Outflows		5,749,104
Deferred Inflows of Resources		
Differences between expected and actual experience		(111,133)
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions		(126,195)
Total Deferred Inflows		(237,328)
Amounts Not Amortized		
Tri-City's contributions subsequent to measurement date		(1,877,761)
		-
Net Total Deferred Outflows and Inflows to be Amortized	$	3,634,015

The amount of $1,877,761 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2024	$	1,241,745
2025		973,545
2026		493,023
2027		925,702
Total	$	3,634,015

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Actuarial Assumptions – The total pension liability of the Plan in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions.

Balance Sheet Date:	June 30, 2023
Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.50%
Projected Salary Increase	Varies by entry age and services
Investment Rate of Return	6.90% (2)
Mortality Rates	Derived using CalPERS membership Data for all funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at: https://www.calpers.ca.gov/page/employers/actuarial-resources.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan and are summarized in the following tables:

June 30, 2022 Measurement

Asset Class	Target Allocation	Expected Real Rate of Return [1,2]
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasurey	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	0.59%
Total	100%	

[1] An expected inflation of 2.3% used for this period

[2] Figures are based on the 2021 Asset Liability Management study.

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE #8 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Sensitivity of Tri-City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability of Tri-City, calculated using the discount rate of 6.90% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

1% Decrease		5.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	14,073,481
Current Discount Rate		6.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	8,262,600
1% Increase		7.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	3,481,687

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

NOTE #9 –MHSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHSA REVENUES

MHSA funds received in the fiscal year that have been approved, allocated and available for use are recognized as non-operating income when received. Amounts received that have been approved for use in the next fiscal year are recorded as MHSA Revenues Restricted for Future Period in Deferred Inflow of Resources (see below) until the beginning of the period for which it was allocated and available for use. In addition, unapproved MHSA funds received are included in Noncurrent Liabilities as Unearned MHSA Revenues. Once eligibility requirements are met, these amounts will be recognized into revenues or deferred inflows of resources.

Per the MHSA Statute, any funds allocated to a county/city which have not been spent for their authorized purpose within three years shall be reverted to the State to be deposited into the MHSA fund and made available for other counties in future years. Based on the most current information, including guidance from DHCS and the most recent State Budget Trailer Bill (AB 114), passed in 2017, Tri-City has determined no amounts are subject to reversion as of June 30, 2023.

Tri-City classifies the MHSA Revenue received but not meeting time requirements as MHSA Revenues Restricted for Future Period under the Deferred Inflows of Resources caption on the Statements of Net Position. As of June 30, 2023 MHSA Revenues Restricted for Future Period are $8,349,490.

NOTE #9 –MHSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHSA REVENUES, Continued

The following table reflects the activity in the Deferred Inflows of Resources-MHSA Revenues Restricted For Future Period and Unearned MHSA Revenue Accounts for the Community Services and Support (CSS) Plan, the Prevention and Early Intervention (PEI) Plan, the Innovations (INN) Plan, the Workforce Education and Training (WET) Plan, and the Capital Facilities & Technology (CFTN) Plan programs and unapproved plans during the fiscal year ended June 30, 2023:

June 30, 2023	Balance Beginning of Year	Funding Received	Amounts Recognized as Non-Operating Revenue	Reclassification of Previously Unapproved Programs	Balance End of Year
CSS	$11,335,644	$ 8,718,908	$ (13,039,819)	$ (64,485)	$ 6,950,248
PEI	1,679,987	2,165,191	(3,038,507)	-	806,671
INN	274,533	572,265	(274,534)	20,307	592,571
WET	-	-	-	-	-
CFTN	-	-	-	-	-
MHSA Revenues Restricted for Future Period	$13,290,164	$ 11,456,364	$ (16,352,860)	$ (44,178)	$ 8,349,490
Unearned MHSA Revenues	$ 1,027,955	$ 8,198	$ -	$ 44,178	$ 1,080,331

NOTE #10 – RESTRICTED NET POSITION BY ENABLING LEGISLATION, FOR MHSA PROGRAMS

Restricted Net Position for MHSA Programs represents the amounts which are restricted due to enabling legislation related to MHSA Proposition 63. The following table further summarizes the net position restricted by enabling legislation as of June 30, 2023 by specific MHSA Program Plans.

Restricted Net Position for MHSA Programs

Community Services and Supports	*	$ 13,411,587
Prevention and Early Intervention		2,555,586
Innovation		1,079,070
Workforce, Education and Training		1,095,357
Capital Facilities and Technology Needs		2,293,968
Prudent Reserves		2,363,233
Total Restricted Net Position for MHSA Programs		$ 22,798,801

* During fiscal year 2017 and through the stakeholder process, the amount of $1.2 million in unspent funds was designated for future housing projects as part of the Permanent Supportive Housing programs which is included within the Community Services and Supports (CSS) Plan. During fiscal year 2019, an additional $1.6 million in unspent funds was designated for future housing programs within the CSS Plan. Amounts designated for Permanent Supportive Housing programs within the CSS Plan as of June 30, 2020 was $2,800,000 and during fiscal year 2021 the amount of $2.8 million was transferred to the developer via a Note Receivable, see Note 5B for further details. As such, the total amount of $22,798,801 in Restricted Net Position in MHSA programs includes the $2.8 million Note Receivable.

NOTE #11 – COMMITMENTS AND CONTINGENCIES

General

Claims for damages that arise through the normal course of operations, alleged against Tri-City are generally filed with or referred to a claims adjuster through Tri-City's insurance providers. As of June 30, 2023, and through the date of this report, management believes based upon consultation with legal counsel, that any such reported matters are not expected to have a material impact on Tri-City, that there is minimal exposure to Tri-City and that no case so reported exceeds existing liability coverages.

NOTE #11 – COMMITMENTS AND CONTINGENCIES, Continued

Medicaid/MHSA Programs & Grants

Tri-City participates in the Federal and State Medicaid (Medi-Cal) programs through its contract with LAC DMH. In addition, Tri-City participates in the State MHSA programs and various other grants. These programs are subject to examination by the respective agencies overseeing the implementation of the programs and the amount of expenditures, if any, which may be disallowed by the responsible agency, cannot be determined at this time. Management believes any actions that may result from investigations of noncompliance with laws and regulations will not have a material effect on Tri City's future financial position or results of operations.

Realignment and MHSA Funding

Realignment and MHSA funding are based on taxes collected by the State. Due to the possible changing economic conditions continually experienced by the State of California, the collection of State sales taxes and the 1% tax imposed on individuals with personal income over $1 million established through Proposition 63, could fluctuate.

City of Pomona Housing and Urban Development (HUD) Loan

In May 2013, Tri-City entered into a loan agreement with the City of Pomona (Pomona) to fund minor renovations of a property acquired by Tri-City that provides affordable housing to clients that are mentally ill and are homeless or at the risk of becoming homeless. The amounts provided by Pomona were accessed through Pomona's HOME Investment Partnerships Act Program established by the U.S. Department of Housing and Urban Development (HUD). The total loan commitment is $147,183 and was contingent based on Tri-City meeting all conditions and covenants under the loan agreement. The disbursement of funds by Pomona to Tri-City occurred as necessary to carry out the purposes of the loan. The loan is secured by a Trust Deed on the property. The loan term is ten (10) years from the date of execution and is interest free. Upon the sixth (6) year (2020) anniversary of the completion date, and each subsequent anniversary date thereafter until the maturity date, Pomona shall forgive twenty (20%) of the original principal. The forgiveness of debt for each period is contingent upon Tri-City's compliance with the requirements of the loan documents for the full preceding year. During fiscal 2014-15 Tri-City received the final reimbursement of costs in the amount of $57,167. During fiscal year 2022-23, the final amount was forgiven and at June 30, 2023, the outstanding balance of the loan was $0.

NOTE #12 –LEASES

Office Space – Royalty Building

Tri-City leases various suites within a medical building complex from 1900 Royalty Drive, LLC. These leases are for office space for the QA/Best Practices program and various mental health programs including Children and Family Outpatient Clinic and Full Service Partnership services.

In March of 2019, Tri-City entered into a fourth new agreement for the rental of additional office space suites and simultaneously extending all three existing leases to the same terms which are due to expire on June 30, 2025. During fiscal year ended June 30, 2023, there were a total of five leases with monthly payments ranging from $2,466 to $13,476.

In accordance with GASB 87, the present value of future monthly lease payments at a discount rate of 2.5% has been calculated to determine the beginning value of the right-to-use asset and the associated liability as of July 1, 2020. The discount rate of 2.5% was determined to be appropriate, as it is the rate explicitly stated in the lease agreements by which rent will be increased annually over the life of the lease. Accordingly, Tri-City has recognized a right-to-use asset in the amount of $1,753,343 with associated accumulated amortization of $1,037,395 as of June 30, 2023. Additionally, in accordance with GASB 87, lease liabilities were recognized in the amount of $715,948 as of June 30, 2023. Tri-City also recognized $357,971 in principal payments, $40,632 in interest expense, and $105,756 in operating expense for common area maintenance in fiscal years ended June 30, 2023.

The following table represent the annual amortization and interest expense over the remaining life of the agreements:

Years Ended June 30,	Principal Payments	Interest Payments	Total
2024	$ 357,971	$ 50,569	$ 408,540
2025	357,977	60,787	418,764
	$ 715,948	$ 111,356	$ 827,304

NOTE #13 – SBITA LIABILITIES

During the current year, Tri-City implemented GASB Statement number 96 recording various subscription IT assets and the associated liabilities. The applicable subscriptions are for various services ranging from the electronic health record system, the general ledger system, training software and the unified communications system.

In accordance with GASB 96, the present value of future subscription payments at a discount rate of 2.5% has been calculated to determine the beginning value of the right-to-use asset and the associated liability as of July 1, 2022. The discount rate of 2.5% was determined to be appropriate, as it is the rate explicitly stated in similar right-to-use agreements entered into by Tri-City. Accordingly, as of June 30, 2023, the value of the subscription liability was $960,430. The total amount of right to use subscription assets, and the related accumulated amortization on right to use subscription assets was $1,242,305 and $281,875, as of June 30, 2023, respectively.

A summary of the changes in subscription IT liabilities during the year ended June 30, 2023 is as follows:

	Balance Beginning, as Restated	Additions	Deletions	Balance End of Year	Due Within One Year
Subscription IT liabilities	$ 597,717	$ 644,588	$ (281,875)	$ 960,430	$ 293,741
	$ 597,717	$ 644,588	$ (281,875)	$ 960,430	$ 293,741

Remaining principal and interest payments on subscriptions are as follows:

Years Ended June 30,	Principal Payments	Interest Payments	Total
2024	$ 293,741	$ 15,020	$ 308,761
2025	291,125	14,988	306,113
2026	254,638	13,768	268,406
2027	120,926	7,312	128,238
	$ 960,430	$ 51,088	$ 1,011,518

NOTE #14 – ADOPTION OF NEW STANDARD

As of July 1, 2022, Tri-City adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Net Position at July 1, 2022, as previously reported	$ 33,849,109
Recognition of right to use subscription IT assets	597,717
Recognitions of subscription IT liabilities	(597,717)
Net Position at July 1, 2022, as restated	$ 33,849,109

NOTE #15 – RISK MANAGEMENT

Tri-City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which they carry commercial insurance. Tri-City is insured for risks of loss through insurance companies. There have been no significant changes in coverage amounts or any significant losses in the past three years. The following table identifies the major insurance coverage's purchased:

Insurance Risk	Coverage per Incident	Coverage in Aggregate	Deductible
Professional Liability	$ 2,000,000	$ 3,000,000	$ 10,000
Sexual Misconduct Liability	$ 1,000,000	$ 1,000,000	$ 10,000
General Liability/Employee Benefit Liability	$ 2,000,000	$ 3,000,000	$ 0 / $ 1,000
Workers Compensation	$ 1,000,000	1,000,000	$ -
Directors and Officers/EPL/Fiduciary Liability	$ 2,000,000	$ 6,000,000	$ 25/75/10k
Automobile	$ 1,000,000	$ 1,000,000	$ 1,000
Property-Building	$ 12,507,899	$ 12,507,899	$ 1,000
Property-Computer	$ 2,240,000	$ 2,240,000	$ 1,000
Cyber Liability	$ 3,000,000	$ 3,000,000	$ 25,000
Cyber Liability	$ 3,000,000	$ 3,000,000	$ 25,000
Excess Cyber Liability	$ 2,000,000	$ 2,000,000	$ 25,000
Volunteer Accident Policy	$ 10,000	$ 10,000	$ 100
Commercial Crime	$ 5,000,000	$ 5,000,000	$ 50,000
Earthquake / Flood	$ 5,000,000	$ 5,000,000	$ 50,000
Umbrella Excess Coverage	$ 2,000,000	$ 2,000,000	$ -

NOTE #16 – CONTRACT WITH LOS ANGELES DEPARTMENT OF MENTAL HEALTH

The Los Angeles County Board of Supervisors originally approved Tri-City's three-year contract with LAC DMH to provide Medi-Cal services to the residents of the tri-cities of Pomona, La Verne and Claremont which was renewed in June 2014 for fiscal years 2015 through fiscal 2017. In June of 2017, a three-year agreement was once again renewed (1-year agreement with two optional extension periods to June 30, 2020). This contract allows the County to pass through Medi-Cal Federal and State reimbursement for Medi-Cal eligible services provided by Tri-City under the Agency's outpatient clinics and its MHSA programs including Full Service Partnership programs. The most current contract with LAC DMH is now effective from July 1, 2020 through June 30, 2021 with four automatic renewal periods through June 30, 2025 without any further action on Tri-City's behalf.

NOTE #17 – RELATED PARTY TRANSACTIONS

The Cities of Pomona, Claremont and La Verne, as member agencies, contributed funds in the amount of $70,236 in 2023 to support the operations of Tri-City as required by Realignment legislation. In addition, Tri-City has leased a 4,000 square foot facility from the City of Claremont to house its administrative staff. Tri-City has also entered into a Loan Agreement with the City of Pomona to receive funds for the minor renovations of a housing property that provides affordable housing to Tri-City mentally ill clients *(Note #11)*. In July of 2018, the Governing Board authorized resolution No. 455, for Tri-City to enter into an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of $396 thousand for fiscal year ending June 30, 2023. In August of 2019, Tri-City entered into an agreement with the City of Pomona to pass through Measure H monies to provide various services to address homelessness including the hiring of four Navigators, as of June 30, 2023 Tri-City has received $100 in Measure H funds. During fiscal year 2022-23 Tri-City and the City of Claremont entered into an agreement to provide onsite Psychiatric Assessment Care Team (PACT) services to the Claremont Police Department where-in, the City would reimburse Tri-City for 50% of costs incurred.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Tri-City's Proportionate Share of the Net Pension Liability

As of the fiscal year ending June 30:

Last Ten Years*

	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability	0.17658%	0.12127%	0.05814%	0.05331%	0.04834%	0.04780%	0.04370%
Proportionate share of the net pension liability	$ 8,262,600	$ 2,302,724	$ 6,325,906	$ 5,462,528	$ 4,658,577	$ 4,740,262	$ 3,781,246
Covered payroll **	$ 13,875,353	$ 13,885,388	$ 12,763,454	$ 11,750,054	$ 10,245,313	$ 10,121,504	$ 9,129,664
Proportionate share of the net pension liability as a percentage of covered payroll **	59.55%	16.58%	49.56%	46.49%	45.47%	46.83%	41.42%
The pension plan's fiduciary net position as a percentage of the total pension liability	78.19%	88.30%	77.71%	77.73%	77.69%	73.31%	74.06%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

* Fiscal year 2017 was the first year in which GASB 68 was implemented, therefore only eight years are shown.

** Covered payroll represents earnable and pensionable compensation.

Schedule of Contributions

As of the fiscal year ending June 30:

Last Ten Years*

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	$ 1,877,761	$ 1,609,594	$ 1,586,047	$ 1,328,508	$ 1,134,877	$ 904,469	$ 861,026
Contributions in relation to the actuarially determined contribution	1,877,761	1,609,594	1,586,047	1,328,508	1,134,877	904,469	861,026
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll **	$ 15,878,389	$ 13,875,353	$ 13,885,388	$ 12,763,454	$ 11,750,054	$ 10,245,313	$ 10,121,504
Contributions as a percentage of covered payroll **	11.83%	11.60%	11.42%	10.41%	9.66%	8.83%	8.51%

* Fiscal year 2017 was the first year in which GASB 68 was implemented, therefore only eight years are shown.

** Covered payroll represents earnable and pensionable compensation.

NOTE TO SCHEDULES

Change in Assumptions – In 2023, the discount rate reduced from 7.15% to 6.90%.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tri-City Mental Health Authority (Tri-City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tri-City's basic financial statements and have issued our report thereon dated March 15, 2024. Our report included an emphasis of matter paragraph describing Tri-City's implementation of Government Accounting Standards Board (GASB) Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective July 1, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-City's internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
March 15, 2024

March 15, 2024

To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

We have audited the financial statements of Tri-City Mental Health Authority (Tri-City) as of and for the year ended June 30, 2023, and have issued our report thereon dated March 15, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated July 31, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Tri-City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated March 15, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

ATTACHMENT 2-B

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Tri-City is included in Note 2 to the financial statements. As discussed in Note 3 to the financial statements, Tri-City implemented GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. Accordingly, the change has been retrospectively applied to the financial statements beginning July 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the estimate of amounts relating to third party payor settlements and amounts relating to the net pension liability, related deferred inflows of resources and deferred outflows of resources.

Management's estimate of the amounts relating to third party payor settlements is based on estimated disallowances that could result from future State audits of claims. We evaluated the key factors and assumptions used to develop the amounts related to third party payor settlements and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the amounts relating to the net pension liability, related deferred inflows of resources and deferred outflows of resources is based on actuarial valuations and a proportionate share of the California Public Employees' Retirement System (CalPERS) Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan collective net pension liability. We evaluated the key factors and assumptions used to develop the amounts related to the net pension liability, related deferred inflows of resources and deferred outflows of resources and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Tri-City's financial statements relate to:

The disclosure of Tri-City's defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources in Note 8 to the financial statements. The valuation of the net pension liability and related deferred outflows (inflows) of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate, and Tri-City's proportionate share of the CALPERS Cost Sharing Plan collective net pension liability. As disclosed in Note 8, a 1% increase or decrease in the discount rate has a significant effect on Tri-City's pension liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes an uncorrected financial statement misstatement whoses effects in the current and prior periods, as determined by management, is immaterial both individually and in the aggregate, to the financial statements taken as a whole.

Overstatement of Subscription Liabilities	$104,152
Overstatement of Right to Use (Subscription) Assets	$104,152

The effect of this uncorrected misstatement has a net $0 impact to the Statement of Net Position.

Misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by management, as shown in Exhibit I. All misstatements that were corrected exceeded the documented passed adjustments scope.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Tri-City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We added an emphasis of matter paragraph for the implementation of GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated March 15, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Tri-City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Tri-City's auditors.

This report is intended solely for the information and use of the Board, and management of Tri-City and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California

Number	Account/Description	Debit	Credit
1	Building Improvement - TCG	$ 241,072	
	Other Accrue Liability - MHSA		$ 241,072
	MHSA Restricted Revenue	$ 241,072	
	MHSA Funds for Asset		$ 241,072

(To accrue for engineering progress payment for the June 2023 service period.)

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **March 20, 2024**

TO: **Governing Board of Tri-City Mental Health Authority**

FROM: **Rimmi Hundal, Executive Director**

BY: **Mica Olmos, JPA Administrator/Clerk**

SUBJECT: **Consideration to Approve the Membership of Sandra Christensen, Mildred Garcia, Ethel Gardner, Frank Guzman, Laura Mundy, Janet Roy, and Danette Wilkerson to the Tri–City Mental Health Commission for Three Years Beginning on April 1, 2024**

Summary:

There exist two (2) vacancies on Tri-City's Mental Health Commission to meet the minimum membership requirement of 10 members. Article IV, Section D [Appointment] of the MHC Bylaws states that Commission members shall be appointed by the Governing Board. Accordingly, the Board's Ad Hoc Committee is recommending the approval of seven (7) memberships to the Mental Health Commission since membership can be up to 15 members.

Background:

The Mental Health Commission (MHC) is an advisory body to the Governing Board of Tri-City Mental Health Authority (TCMHA); serve without compensation; and it has no policy or budget authority. Section 5604.2 of the California Welfare and Institutions Code (WIC) defines in detail the duties of a MHC.

On December 2023, Tri-City's JPA Administrator/Clerk began recruitment efforts for potential candidates to serve on the Commission; and announcements and flyers were posted on Tri-City's website, the three Cities websites, and distributed through social media outlets.

At its meeting of January 17, 2024, the Governing Board selected Board Members Carolyn Cockrell, Wendy Lau, and Ronald Vera to serve in an Ad-Hoc Committee to conduct interviews of potential candidates and ultimately, make a recommendation to the Board of their selection of new Mental Health Commission members. Only eight applications were received and of these, seven applicants participated in an interview on March 8, 2024, and they are being recommended for MHC membership.

Funding:

None required.

<u>Recommendation</u>:

The Ad Hoc Committee recommends that the Governing Board approves the membership of Sandra Christensen, Mildred Garcia, Ethel Gardner, Frank Guzman, Laura Mundy, Janet Roy, and Danette Wilkerson to the Tri-City Mental Health Commission for three years, beginning on April 1, 2024.

<u>Attachments</u>:

Attachment 3-A: Sandra Christensen's Application for Membership to the MHC
Attachment 3-B: Mildred Garcia's Application for Membership to the MHC
Attachment 3-C: Ethel Gardner's Application for Membership to the MHC
Attachment 3-D: Frank Guzman's Application for Membership to the MHC
Attachment 3-E: Laura Mundy's Application for Membership to the MHC
Attachment 3-F: Janet Roy's Application for Membership to the MHC
Attachment 3-G: Danette Wilkerson's Application for Membership to the MHC

RECEIVED
JAN 3 0 2024
BY: NW

MENTAL HEALTH COMMISSION

APPLICATION FOR MEMBERSHIP

Date of Application: 1/29/2023

Name: Sandra Christensen Date of Birth : [redacted]

Street Address: [redacted] City: Pomona Zip Code: 91768

Residence Telephone: ____ Cell Phone: [redacted]

Business Address: [redacted] City: ____ Zip Code: ____

E-mail Address: [redacted] Bus. Telephone: ____

Approximate length of time you have resided orworked within TCMHA Catchment Area: (Pomona, Claremont, La Verne)

Residence: 57 years Work: ____ years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
Los Angeles County Office of Education	Speech Pathologist/Retired	1978 - 2015
	Worked w/emotionally disturbed youth K - transition	

Languages spoken: English

How did you hear about TCMHA's Mental Health Commission?
Friend and fellow Rotarian, Ron Vera.

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
Fairplex Child Development Center	Infant to preK child development programs - Executive Board	2019 - present
Pomona/San Gabiel Valley Regional Center	Services for disabled population - Executive Board-Officer	2012 - 2017
Crossroads, Inc	Community rehabilitation for paroled women - Executive Board-Officer	2005 - 2010

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
Pomona Rotary	Community Service - Immediate Past President	2015 - present
Optimist Club	Community Service	2019 - present
Citrus College Kinship Care Advisory	Foster care programs - Instructor, Mentor, Foster parent	2009 - 2017

MENTAL HEALTH COMMISSION

Please list any special interests or involvement which might be helpful to you as a TCMHA Mental Health Commission Member:

Long history of mental health issues in family (parent, sibling, grandparent, aunt, cousins) diagnosed w/paranoia/schizophrenia, clinical depression, bipolar and/or death by suicide. Worked (30+ years) in public education w/emotionally disturbed and incarcerated youth. Active participant (20+ years) in community service organizations and non profits that address mental health issues in a variety of formats (e.g.homelessness, disabilities, foster youth, incarcerated youth, paroled women, teen moms).

Please describe briefly the reasons for your interest in serving on the TCMHA Mental Health Commission:

Profoundly interested in assisting in finding and providing health and welfare services, appropriate training/employment and quality counseling/social opportunities for those who may be limited or adversely affected by mental health issues. Concerned with destigmatizing/openly addressing the negative connotations associated with mental health issues in the effort to present opportunities for all to live full and healthy lives

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☒ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☒ Yes ☐ No

WIC 5604.a provides that at least one member of the Mental Health Commission is a veteran or veteran advocate (either a parent, spouse, or adult child of a veteran, or an individual who is part of a veteran organization).

Do you qualify as a veteran *or* a veteran advocate? ☐ Yes ☒ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☒ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add:

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize TCMHA to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

MENTAL HEALTH COMMISSION

APPLICATION FOR MEMBERSHIP

RECEIVED
JAN 24 2024
BY:

Date of Application: 01/22/2024

Name: Mildred Garcia Date of Birth : [redacted]

Street Address: [redacted] City: Pomona Zip Code: 91766

Residence Telephone: Cell Phone: [redacted]

Business Address: [redacted] City: Pomona Zip Code: 91766

E-mail Address: [redacted] Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within TCMHA Catchment Area: (Pomona, Claremont, La Verne)

Residence: 4 mo years Work: 1 1/2 years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
Just Us 4 Youth	Supervisor	11/2022 - present

Languages spoken: English, Spanish

How did you hear about TCMHA's Mental Health Commission?
I received a flyer which was sent to our organization.

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
SAFE Project	Stop the Addiction Fatality Epidemic	October 2023

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
Just Us 4 Youth	Mentor and Walk alongside parents who are struggling with life's challenges.	11/2022 - Present

MENTAL HEALTH COMMISSION

Please list any special interests or involvement which might be helpful to you as a TCMHA Mental Health Commission Member:
I'd like to learn about the mental health issues our society is facing and be part of the solution to reduce the stigma and advocate for people struggling with mental health problems.

I am currently scheduled to take the Youth Mental Health First Aid class at Tri City on 1/25/24.

Please describe briefly the reasons for your interest in serving on the TCMHA Mental Health Commission:
My current position allows me to meet families in the community. I am frequently encountering that a family member or themselves is struggling with depression, anxiety, and/or some type of mental health condition.
I have a passion to help people find the help they may benefit from. This is what leads me having interest in serving

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☒ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☒ Yes ☐ No

WIC 5604.a provides that at least one member of the Mental Health Commission is a veteran or veteran advocate (either a parent, spouse, or adult child of a veteran, or an individual who is part of a veteran organization).

Do you qualify as a veteran *or* a veteran advocate? ☐ Yes ☒ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☒ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add:

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize TCMHA to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

Mental Health Commission
APPLICATION FOR MEMBERSHIP

Date of Application: 3/7/23

Name: Ethel Gardner Date of Birth : [redacted]

Street Address: [redacted] City: Pomona Zip Code: 91769

Residence Telephone: [redacted] Cell Phone: [redacted]

Business Address: [redacted] City: Pomona, Zip Code: 91769

E-mail Address: [redacted] Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within Tri-City Catchment Area: (Pomona, Claremont, La Verne)

Residence: 30 years Work: 20 years

Previous Work Experience (past 7 years):

Employer:	Occupation:	Dates: From - To
Self Employed	Executive Director	Present

Languages spoken: English

How did you hear about Tri-City's Mental Health Commission?
I was once on the board of Commissioner's in Pomona,

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	Purpose:	Dates: From - To:
Kennedy Austin Foundation	Community Services	3/92 - 3/2023

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	Purpose:	Dates: From - To:
Kennedy Austin Foundation,	Community Services	3/92 - 3/23
NCNW	Community Member	1/2011 - 2023
NAACP	" "	3/2011 - 2023
Alliance	Community Member	6/2020 - 3/2023

Please list any special interests or involvement which might be helpful to you as a Tri-City Mental Health Commission Member:

Im the founder, and Executive Director of the Kennedy Austin Foundation, and an Advocate for Tri-City Mental Health. Also a Advocate for the City of Pomona Community Leader!

Please describe briefly the reasons for your interest in serving on the Tri-City Mental Health Commission:

Serving as a Commissioner, would help and assist with making connection with Community of color, and be present to help bring more people to the table for changes to our Community.

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☒ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☒ Yes ☐ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☒ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add: ______________________

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize Tri-City to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

Ethel M [signature]

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

Mental Health Commission
APPLICATION FOR MEMBERSHIP

Date of Application: May 17, 2023

Name: Frank C. Guzman   Date of Birth : [redacted]

Street Address: [redacted]   City: Pomona   Zip Code: CA

Residence Telephone: [redacted]   Cell Phone: [redacted]

Business Address: [redacted]   City: Pomona   Zip Code: 91766

E-mail Address: [redacted]   Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within Tri-City Catchment Area: (Pomona, Claremont, La Verne)

Residence: 11 years   Work: 4 years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
Starbucks Coffee	Owner/Operator	10/2018-08/2022
Pomona Unified School District	Board of Education Trustee	11/2011-12/2020
M & I Surplus	General Manager	10/1998-12/2017

Languages spoken: English

How did you hear about Tri-City's Mental Health Commission?
Participated

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
National Association of Latino E	To facilitates the full participation of Latinos	12/2011-present
Centerlink	To strengthen, support, and connect LGBT	10/2019-present
Tri-City Rainbow Advisory Comi	Collaborate and engage with peers, advoc	2022-2023

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
Youth & Family Club of Pomona	To inspire and enable all young people and	
Pomona Host Lions Club	Lions are dedicated to serving their commu	2011-2018
Pomona Valley YMCA	To strengthen our community through yout	2009-2013
Pomona Pride Center	to enhance and sustain the well-being of th	2019-present

Please list any special interests or involvement which might be helpful to you as a Tri-City Mental Health Commission Member:

I am specifically interested in ensuring equitable resources and support for the LGBTQIA+ community. I

also committed to supporting the undocumented, unhoused, seniors, and the youth.

Please describe briefly the reasons for your interest in serving on the Tri-City Mental Health Commission:

I have had the opportunity to get involved with Tri-City through the community well-being grants and hav

the relationship while growing the network with other community based organizations. I want to join in th

the efforts to support the various vulnerable communities in the Tri-City teritory. I am committed to helpi

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☒ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☒ Yes ☐ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☒ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add: Thank you for considering me for this role.

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize Tri-City to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

MENTAL HEALTH COMMISSION

APPLICATION FOR MEMBERSHIP

Date of Application: 1/26/24

Name: LAURA MUNDY Date of Birth : [redacted]

Street Address: [redacted] City: POMONA Zip Code: 91766

Residence Telephone: [redacted] Cell Phone: [redacted]

Business Address: [redacted] City: POMONA Zip Code: 91766

E-mail Address: [redacted] Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within TCMHA Catchment Area: (Pomona, Claremont, La Verne)

Residence: 36 years Work: 42 years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
EXPERIAN	SVP COMPLIANCE, ETHICS & I TEGRITY	4/27/81 to Present

Languages spoken: ENGLISH

How did you hear about TCMHA's Mental Health Commission?

CITY COUNCIL MEMBERS IN POMONA

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
ASPIRE EMPLOYEE	BUILD A COMMUNITY TO	MARCH 2018
RESOURCE GROUP	SUPPORT THOSE WITH PHYSICAL	through Present
Executive SPONSOR	DISABILITIES, MENTAL WELLNESS AND CARE GIVERS	

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
• PARENT TEACHER	• COORDINATE SCHOOL	• SCHOOL / BRANCH
ASSOCIATION	PARENT / TEACHER	2002 - 2013
(PRESIDENT BRANCH	ENGAGEMENTS & ACTIVITIES	• DISTRICT COUNCIL
• & PRESIDENT FULL DISTRICT)		2013 - 2017

MENTAL HEALTH COMMISSION

Please list any special interests or involvement which might be helpful to you as a TCMHA Mental Health Commission Member:
I'm committed to mental wellness and I'm engaged with groups supporting wellness, ie. National Alliance on Mental Illness (NAMI), DISABILITY : IN, etc.)

Please describe briefly the reasons for your interest in serving on the TCMHA Mental Health Commission:
As a resident in the TriCity Area, and my commitment to our communities, along with the Pomona Mayor, Tim Sandoval, I want to provide value and learn from Tri-City ways to help further.

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☒ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☒ Yes ☐ No

WIC 5604.a provides that at least one member of the Mental Health Commission is a veteran or veteran advocate (either a parent, spouse, or adult child of a veteran, or an individual who is part of a veteran organization).

Do you qualify as a veteran *or* a veteran advocate? ☐ Yes ☒ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☒ I qualify as a recipient of mental health services.

☒ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add:

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize TCMHA to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

Laura Mundy
(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

RECEIVED
JAN 24 2024
BY: MP

MENTAL HEALTH COMMISSION

APPLICATION FOR MEMBERSHIP

Date of Application: 01-18-2024

Name: Janet Renee Roy Date of Birth : [redacted]

Street Address: [redacted] City: Rancho Cucamonga Zip Code: 91737

Residence Telephone: N/A Cell Phone: [redacted]

Business Address: [redacted] City: Pomona Zip Code: 91766

E-mail Address: [redacted] Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within TCMHA Catchment Area: (Pomona, Claremont, La Verne)

Residence: ________ years Work: 14 years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
Pomona Cemetery	General Manager	May 2010-Current

Languages spoken: English

How did you hear about TCMHA's Mental Health Commission?
Ron Vera

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
Pomona Rotary	Service Club in community	2010-Current
St. Peter & Paul Church	Parishioner-Member St. Vincent de Paul	1999-Current
	Society- support for those in need.	

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
Post 30	Support Annual Memorial Day	May 2010- Current
	celebration at Cemetery	
Assistant League of	Provides services to qualifying	2022-current
Pomona	children & Families.	

MENTAL HEALTH COMMISSION

Please list any special interests or involvement which might be helpful to you as a TCMHA Mental Health Commission Member:

My interest include the social& emotional being of our community. I am a current Social Emotional Learning Facilitator, studying and teaching yoga through a trauma lens.

Please describe briefly the reasons for your interest in serving on the TCMHA Mental Health Commission:

I believe through communication,caring and support addressing inequity with understanding and compassion we can address the mental health crisis in our community. I believe in helping others without bias or judgment.

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☑ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☑ Yes ☐ No

WIC 5604.a provides that at least one member of the Mental Health Commission is a veteran or veteran advocate (either a parent, spouse, or adult child of a veteran, or an individual who is part of a veteran organization).

Do you qualify as a veteran *or* a veteran advocate? ☑ Yes ☐ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☑ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add:

I have a great compassion for humanity, I believe I would make a good candidate for the position, as a member of the Mental Health Commission.

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize TCMHA to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

Inez Roy

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

MENTAL HEALTH COMMISSION

APPLICATION FOR MEMBERSHIP

Date of Application: 01/22/24

Name: Danette E. Wilkerson Date of Birth : [redacted]

Street Address: [redacted] City: La Verne Zip Code: 91750

Residence Telephone: [redacted] Cell Phone: [redacted]

Business Address: [redacted] City: Culver City Zip Code: 90230

E-mail Address: [redacted] Bus. Telephone: [redacted]

Approximate length of time you have resided *or* worked within TCMHA Catchment Area: (Pomona, Claremont, La Verne)

Residence: 3 years Work: ____ years

Previous Work Experience (past 7 years):

Employer:	**Occupation:**	**Dates: From - To**
Thompson Wealth Management	Financial Services	01-05-2015 - present
City 2 Village International	Mental Health Clinician Intern	08-15-2023 - present
The Good Seed CDC	Mental Health Clinician Intern	05-08-2023 - present

Languages spoken: English

How did you hear about TCMHA's Mental Health Commission?
Website

Please list Group or Organization Memberships, purpose of the group and dates of involvement:

Group/Organization:	**Purpose:**	**Dates: From - To:**
CA Licensed Professional Clinical Counselors CALPCC	Networking and Continued Education	04-2022 - 04/2024
American Counselors Association	Networking, Continued Education, and Support	02/2023 - 02/2024
Financial Therapy Association	Networking, Education, & Training	10/2023- 10/2024

How have you been involved in your community? List organization names, purpose and dates of service.

Organization:	**Purpose:**	**Dates: From - To:**
Envy Athletics - Coach	Train female cheer & tumbling athletes	11/2022 - Present
J. Marion Roynon Elementary Volunteeer	Support grandchildren & fellow student activities	09/2021- Present
Los Angeles Urban League	Volunteer life, business and mental health coaching to the community and members of the organization	01/2001 - Present
MBS Coach Academy	Owner and operator of life coaching business for the past 7 years	2017 - Present

MENTAL HEALTH COMMISSION

Please list any special interests or involvement which might be helpful to you as a TCMHA Mental Health Commission Member:
I am a graduate student Clinical Mental Health Counseling student expected graduation date May, 2024. I am currently serving as a student internship at a mental health community agency and private practice office working with clients that seek mental health treatment and are mandated to comply with mental health treatment. I will begin associateship resident of 3,000 clinical hours upon graduation.

Please describe briefly the reasons for your interest in serving on the TCMHA Mental Health Commission:

I am very interested in continuing my support and education with mental health services and practices and especially in La Verne and/or its surrounding cities where I currently reside.

WIC 5604.d provides that members of the Mental Health Commission must be free of any conflict of interest. The content of the questions below is based on the standards established by the legislation.

Are you or your spouse an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☑ No

If your answer is Yes; where you or your spouse a consumer of mental health services before becoming an employee of the State or County Mental Health System or an affiliated contract agency? ☐ Yes ☐ No

Service on the Mental Health Commission requires attendance at one mid-day monthly meeting that lasts approximately two hours and at infrequent special purpose meetings.

Does your personal schedule allow you to set aside a minimum of two hours each month for Mental Health Commission Meetings? ☑ Yes ☐ No

WIC 5604.a provides that at least one member of the Mental Health Commission is a veteran or veteran advocate (either a parent, spouse, or adult child of a veteran, or an individual who is part of a veteran organization).

Do you qualify as a veteran *or* a veteran advocate? ☑ Yes ☐ No

State law provides that a significant portion of the Commission must be comprised of mental health service consumers or immediate family members of persons receiving mental health services.

☐ I qualify as a recipient of mental health services.

☑ I qualify as an immediate family member of a recipient of mental health services.

Additional comments or information you would like to add:

I certify that all statements in this application are true and complete to the best of my knowledge. I authorize TCMHA to make inquiries to determine my suitability for membership on the Mental Health Commission. I understand that any misrepresentation made may be grounds for rejection of this application or dismissal from the Commission.

Danette E. Wilkerson

(Signature)

Please attach any additional documentation or information that you deem to be relevant to your application.

RETURN YOUR SIGNED APPLICATION TO: JPA Administrator/Clerk
Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard, Suite B
Claremont, CA 91711-2788

Tri-City Mental Health Authority
AGENDA REPORT

DATE: March 20, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Kitha Torregano, Human Resources Manager

SUBJECT: Consideration of Resolution No. 735 Authorizing a Rate Amendment and Client Agreement with LocumTenems.com for Professional Services, Effective February 8, 2024

Summary:

Staff are requesting Governing Board approval to amend the current agreement between LocumTenens.com, LLC and Tri-City Mental Health Authority (TCMHA) revising our existing agreement for professional services to include updated market rates.

Background:

The job market is highly competitive at this time for Psychiatrists with both public and private agencies competing for the same, small and oftentimes specialized pool of candidates.

On January 31, 2018, TCMHA entered into an agreement with LocumTenens.com to provide professional services as such as attracting, sourcing and placing Psychiatrists on a temporary and permanent basis. LocumTenens.com has assisted us in past with locating and placing Locum doctors temporarily who eventually hire on as full-time, permanent staff. Currently, we are working with LocumTenens.com to place a temporary to possibly full-time, permanent Psychiatrist with TCMHA. However, as expected, the rates in our current contract are over five years old and do not accurately reflect the cost of to attract and retain an onsite doctor at this time.

This amended agreement will incorporate LocumTenens.com new rates and fees as reflected within the updated Client Agreement and Addendum as attached and referenced below:

DESCRIPTION OF CONTRACTORS AND FEE STRUCTURE

Specialty:	Psychiatry (Doctor, On-Site)
RATES	
Regular	$275.00-$320.00 Per Hour
Overtime	$412.50-$480.00 Per Hour after 8.00 Hour(s) Per Day. The Overtime Rate will be applied to all Weekend Hours.
Malpractice	Malpractice will be charged for all hours worked at $7.50 Per Hour
CALL	
Weeknight Call	$500.00-$750.00 Per Day with a Callback Rate of $412.50-$480.00 Per Hour
Weekend Call	$1,200.00 Per Day with a Callback Rate of $412.50-$480.00 Per Hour
HOLIDAY	
Holiday Premium	$1,200.00 Per Day

Provided for as attached is the Client Agreement and Addendum between Tri-City Mental Health Authority and LocumTenens.com to be effective as of February 8, 2024 to extend through a period of one year and to automatically renew for successive one year unless otherwise terminated as set forth in the agreement.

Fiscal Impact:

This cost is already budgeted for in the current Fiscal Year 2023-2024 budget as part of Professional Services.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 735 authorizing an Amendment to the TCMHA and LocumTenens.com Client Agreement and Addendum extending said agreement through February 8, 2025 for professional services.

Attachments:

Attachment 4-A: Resolution No. 735 - Draft

Attachment 4-B: Client Agreement and Addendum

RESOLUTION NO. 735

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE RATE AMENDMENT AND CLIENT AGREEMENT WITH LOCUMTENENS.COM FOR PROFESSIONAL SERVICES

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 execute the Rate Amendment and Client Agreement with LocumTenens.com to provide professional services as such as attracting, sourcing, and placing Psychiatrists on a temporary and permanent basis.

B. The Authority affirms that LocumTenens.com is an independent contractor and not an employee, agent, joint venture or partner of TCMHA. The Agreement does not create or establish the relationship of employee and employer between Contractor and TCMHA.

2. Action

The Governing Board approves the Rate Amendment and Client Agreement with LocumTenens.com to be effective retroactively to February 8, 2024; and authorizes the Executive Director to enter into, and execute, said Agreement and any amendments thereafter.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on March 20, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM: ATTEST:

STEVEN L. FLOWER, GENERAL COUNSEL

MICAELA P. OLMOS, RECORDING SECRETARY

ATTACHMENT 4-A

ADDENDUM FOR Tri-City Mental Health Authority
DESCRIPTION OF CONTRACTORS AND FEE STRUCTURE

This Addendum serves as an amendment and supplement to any prior Client Agreements between Tri-City Mental Health Authority ("Client" or "you") and LOCUMTENENS.COM, LLC ("LocumTenens.com," "we" or "us"). This Addendum is a "Contractor Addendum" as described in the Client Agreement.

The parties agree that the following types of Contractors may be provided by LocumTenens.com under the Client Agreement. The fees applicable to such Contractors are described below.

Specialty:	**Psychiatry (Doctor, On-Site)**
RATES	
Regular	$275.00-$320.00 Per Hour
Overtime	$412.50-$480.00 Per Hour after 8.00 Hour(s) Per Day. The Overtime Rate will be applied to all Weekend Hours.
Malpractice	Malpractice will be charged for all hours worked at $7.50 Per Hour
CALL	
Weeknight Call	$500.00-$750.00 Per Day with a Callback Rate of $412.50-$480.00 Per Hour
Weekend Call	$1,200.00 Per Day with a Callback Rate of $412.50-$480.00 Per Hour
HOLIDAY	
Holiday Premium	$1,200.00 Per Day

Rates are subject to change based upon market conditions.

Additional Provisions, if any: Regular Hourly Rate: (Minimum eight (8) hours per day, 40 hours per week, Monday through Friday) Overtime Rate (Applies when workday exceeds eight (8) hours or for time worked while on call.) Weeknight On-Call (5PM to 8AM) Weekend Call (24-hours) / Holiday On-Call (All hours worked are considered overtime)

The provisions hereof shall control over any inconsistent provisions contained in the Client Agreement (to the extent of the inconsistency). The effective date of this Addendum is Feb 08 2024.

CLIENT: Tri-City Mental Health Authority

Name:

Sign :

Title:

Date:

LOCUMTENENS.COM, LLC

Name:

Sign :

Title:

Date:

This Client Agreement is between **Tri-City Mental Health Authority** (“Client" or "you") and **LocumTenens.com, LLC** ("LocumTenens.com,” “we” or “us”).

1.0 Overview

This Client Agreement provides the terms and conditions regarding the provision to you of locum tenens Contractors (each, a “Contractor”). The types of Contractors we will make available to you will be described in one or more Addenda to this Client Agreement entered into from time to time (each, a “Contractor Addendum”). The Contractor Addenda shall also describe the fee structure applicable for such Contractors in addition to other terms regarding such Contractors and shall be a part of this Client Agreement.

2.0 LocumTenens.com Duties

To assist you in obtaining qualified Contractors, LocumTenens.com will:

2.1 Source, screen and present potential Contractors as appropriate;

2.2 Use our best efforts to present Contractors acceptable to you;

2.3 Reimburse the Contractor(s) for his/her fee(s);

2.4 Provide malpractice insurance coverage, where required, through our insurance carrier for any and all Contractor(s) provided by us to you;

2.5 Verify or assist in obtaining Contractor licensure, as necessary; and

2.6 Allow you to retain patient revenue generated by any locum tenens Contractor(s) placed by us.

3.0 Client Duties

To enable us to attract qualified Contractors to your facility, you or your assigned facility will:

3.1 Use independent judgment as to a Contractor's qualifications, credentials and background. You acknowledge that the ultimate decision as to a Contractor's qualifications belongs to Client;

3.2 Inform LocumTenens.com in writing within forty-eight (48) hours if any Contractor presented by LocumTenens.com, including any Contractor whose name has been submitted for clearance, is currently engaged, or has been previously engaged within the twelve months prior to such presentation or submission for clearance, in active written, two-way communication regarding employment or engagement with or regarding the facility where the medical services are to be provided. Absent such notification, the Contractor will be conclusively presumed to have been introduced by LocumTenens.com. Upon request by LocumTenens.com, Client agrees to submit written or pictorial proof of such communication, or of an introduction by another agency within the twenty-four (24) months preceding the presentation or submission for clearance by LocumTenens.com;

3.3 Supply the Contractor, according to the required specialty, reasonably maintained usual and customary equipment, usual and customary supplies, a suitable practice environment complying with accepted clinical and procedural standards and, as necessary, appropriately trained support staff to enable the Contractor(s) to perform his/her services;

3.4 Supply the Contractor the cost of transportation to and from the assigned facility’s community (to also include any luggage surcharges), reasonable and acceptable living accommodations outside of the assigned facility, local transportation within the community (rental car or, if a personal vehicle is used, reimbursement of mileage at the rate allowed by the Internal Revenue Service), and gasoline reimbursement (both local gas and round trip gasoline expenses);

3.5 Use your best efforts to promptly obtain hospital privileges for Contractors, when applicable. You will be solely responsible for any and all costs and expenses associated with or required for credentialing and/or privileging all Contractors, including but not limited to, costs for medical tests, drug screens, CSR screening, DEA certification, DEA address change and compliance with OSHA requirements. LocumTenens.com shall not be responsible for any such costs associated with, required for or relating to the credentialing or privileging of any Contractor;

3.6 Pay all fees associated with any patient compensation fund as applicable by state;

3.7 Verify identity of Contractor at Client’s facility;

3.8 Pay or reimburse LocumTenens.com for state/county sales, use, franchise or receipts taxes (as applicable by state) charged against payments to us under this Client Agreement; Client further agrees to pay any expenses related to the state’s assessment of any imputed taxes/expenses related to the treatment of Contractors as independent contractors;

3.9 Comply and require the assigned facility to comply with AMA, TJC, federal, state and local standards relating to patient care and related activities;

3.10 Participate in LocumTenens.com customer service/risk management activities by reporting, in writing, immediately to us any incident which may lead to a malpractice claim or disciplinary action taken against any Contractor; and

3.11 Reimburse all fees charged to LocumTenens.com that arise out of the services of any managed service provider, vendor management system or similar such outsourced management agency that you may engage or utilize; this obligation shall survive any termination or expiration of this Agreement.

4.0 Fees

4.1 You agree to pay LocumTenens.com the specific fees for each Contractor as specified on the applicable Contractor Addendum. Such fees are due and payable regardless of the number of cases or modalities performed by the Contractor. Additionally, you agree that: (a) it is your responsibility to ensure all patient charts are completed by the Contractor prior to the Contractor's completion of service, and (b) failure of verification of patient chart completion does not constitute in any way a reduction or elimination of your responsibility to pay all fees to us as required.

4.2 Immediately upon your acceptance of a Contractor, you agree to pay LocumTenens.com a deposit in the amount specified on the applicable Contractor Addendum. Upon our receipt of your written request, you may apply the remaining balance of a deposit paid for a particular Contractor against payment of the last two invoices for your account relating to that Contractor. In addition, provided that all amounts owed to us are paid in full, upon your written request made within one year of placing the deposit, we will refund the remaining balance of the deposit relating to that Contractor to you.

4.3 You agree to pay LocumTenens.com an administrative service fee in the amount specified on the applicable Contractor Addendum for each day a Contractor delivers services through patient contact or call availability.

4.4 Should a Contractor render services or be scheduled for call on a holiday, all hours will be charged at a holiday premium rate, as outlined in the Contractor Addendum. In addition, if the Contractor does not reside in the geographic area but remains within a fifty (50) mile radius of your facility, regardless of whether the Contractor renders services, on the applicable holiday, the holiday premium rate will apply. Holidays include Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, and any other holidays recognized by your facility.

4.5 You are responsible for verifying and signing Contractor's timesheets on a weekly basis or assuring an authorized representative of the assigned facility does so. A signed timesheet indicates your agreement that Contractor has properly provided services for the stated hours and that you will remit payment pursuant to the applicable Contractor Addendum and other applicable provisions of this Client Agreement. Any and all timesheets are deemed to be accurate, valid and approved by you at the close of business on the third (3rd) business day following your receipt of the timesheet, and LocumTenens.com is owed payment of the service fees for the time reflected on any such timesheet in accordance with the terms hereof. If you have a question concerning a Contractor's timesheet, you shall notify LocumTenens.com within three (3) business days of your receipt of the timesheet.

4.6 Payment for each time card period is due immediately upon receipt of an invoice. All payments more than Thirty(30) days past due will accrue interest at the rate of one and one-half percent (1-1/2%) per month from the date of invoice or the date due, whichever is later.

5.0 Cancellation of Coverage

LocumTenens.com expends significant time and effort locating Contractors, arranging for coverage, arranging for transportation, and otherwise arranging to meet your staffing needs. The Contractor we place must arrange his/her schedule as far in advance as possible, which may involve foregoing other opportunities. As a result, the following provisions apply with respect to your cancellation of services:

5.1 You may request that a Contractor be removed or a placement cancelled (a) at any time if the request is based on your reasonable dissatisfaction with the clinical performance or professional conduct of such Contractor or (b) at any time and for any reason, provided that we receive from you at least 30 days prior written notice. If you request that a Contractor be removed or a placement cancelled under (a) above, written documentation detailing the specific reasons for the request for removal must be received by LocumTenens.com prior to the Contractor's removal and such documentation must be reasonably satisfactory to us. In the event of a removal or cancellation under (a) or (b) above, you agree to pay us (i) all amounts owed hereunder for locum tenens coverage provided by such Contractor through the effective date of the cancellation, plus, but not being limited to, (ii) full roundtrip transportation, local housing, local transportation, any and all fees and penalties incurred by us or Contractor as a result of having to cancel lease agreements for this assignment, plus, but not being limited to, (iii) all other amounts due directly from you to the Contractor.

5.2 In the event that you request that a Contractor that has been scheduled to provide services to or for you (whether or not actually placed in your facility) be removed or his or her placement cancelled and such removal or cancellation does not satisfy the conditions of the preceding paragraph, you agree to pay us (i) all amounts owed hereunder for locum tenens coverage provided through the effective date of the cancellation plus (ii) the full amount of fees and costs which would have been payable for any uncompleted portion of the locum tenens period up to a maximum of thirty calendar days. You also agree to reimburse LocumTenens.com for any fees and/or charges incurred by us that result from the cancellation including, but not limited to: airline penalties for cancellation and rescheduling, non-refundable housing deposits, plus all other non-cancellable amounts which you would have been required to pay or reimburse us for through the remaining term of the locum tenens period requested by you (such as non-cancellable rental or lease costs).

5.3 LocumTenens.com will not, in any event, remove a Contractor from or cancel an assignment for illegal or discriminatory reasons.

6.0 Subsequent Placement, Recruitment or Other Usage of a Candidate

Our locum tenens trial practice option allows you to work with a Contractor prior to entering into a permanent commitment with him/her. Upon payment of the applicable amount set forth below, you or the assigned facility may enter into a direct relationship with a Contractor who has worked with you or has been introduced or presented through LocumTenens.com, following completion of 90 days of locum tenens coverage by that Contractor.

6.1 (a) If the Contractor provides in-person medical services and is hired for a permanent position, the recruitment fee is equal to (i) 25% of the annual salary for the first year of employment, including incentive or other bonus, offered to and accepted by the Contractor or (ii) 25% of the actual salary, including incentive or other bonus, paid to the Contractor for the first year of employment (or part thereof, if a full year of employment is not completed), whichever of (i) and (ii) is greater. The amount determined under clause (i) shall be payable as provided under Section 6.3, and any additional amount required to be paid under clause (ii) will be paid promptly after the determination thereof.

(b) If the Contractor provides remote, telemedicine services and is hired for a permanent position, the recruitment fee is equal to (x) 50% of the annual salary for the first year of employment, including incentive or other bonus, offered to and accepted by the Contractor or (y) 50% of the actual salary, including incentive or other bonus, paid to the Contractor for the first year of employment (or part thereof, if a full year of employment is not completed), whichever of (x) and (y) is greater. The amount determined under clause (x) shall be payable as provided under Section 6.3., and any additional amount required to be paid under clause (y) will be paid promptly after the determination thereof. The recruitment fee amounts apply without regard to the specialty of the Contractor.

(c) The above recruitment fees are payable for any Contractor introduced to you by LocumTenens.com who: (i) Accepts a position with you or with the facility where the Contractor was assigned or any facility, organization or group owned or operated by, or affiliated with you or with the assigned facility, whether or not in your or its actual community, within two years of the date the Contractor was introduced or presented, or if the Contractor worked, two years from the last day the Contractor last provided services to or for you; or (ii) If you or the assigned facility personnel assist in obtaining the position, accepts a position within a 15 mile radius of the facility where the Contractor provided services within two years of the date the Contractor was introduced or presented, or if the Contractor worked, two years from the last day the Contractor last provided services to or for you, or if the Contractor obtains privileges at any facility, organization or group owned or operated by or affiliated with you or with the assigned facility.

6.2 If the Contractor engages in locum tenens coverage or provides services for you or any of your affiliates or with the assigned facility, except through LocumTenens.com, within two years of the date the Contractor was introduced or presented, or if the Contractor worked, two years from the last day the Contractor last provided services to or for you, then the recruitment fee is equal to 25% of the national average annual salary for the Contractor's specialty, excluding incentive or other bonus, as printed by Medical Group Management Association (MGMA) for the then-current calendar year. The recruitment fee is owed without regard to the specialty of the Contractor.

6.3 The recruitment fees above are due on the first day the Contractor performs any of the services listed above. Pending our receipt of the recruitment fee, paid in full, all locum tenens fees based on the current rates structure will remain in full effect and due through the date on which the recruitment fee is paid in full. The locum tenens fees will NOT be credited against the separate recruitment fee. These obligations will remain in full effect regardless of the date of termination or cancellation of coverage or cancellation of this Client Agreement and whether or not either of us is in breach of any term of this Client Agreement. In addition, should you elect to interview a candidate introduced to you by LocumTenens.com for a permanent position, you agree to pay expenses related to that interview.

7.0 Status of Contractors

Contractors are independent contractors of LocumTenens.com and/or any one of its affiliates (including LT Medical, LLC). Contractors are not employees, agents or subcontractors of LocumTenens.com. Because Contractors are independent contractors, neither LocumTenens.com, nor you, will be responsible for tax withholding or incurring employee social security payments, workers' compensation insurance, unemployment insurance or health insurance. All medical, healthcare, or clinical decisions or actions shall be solely those of the Contractor.

8.0 Standards Of Service

LocumTenens.com is committed to customer satisfaction. Our risk management will periodically review the performance of Contractors while on assignment. You agree to assist LocumTenens.com in this process by providing us with meaningful feedback by (1) including locum tenens Contractors placed through us in the ongoing quality assurance/risk management programs of your facility, (2) providing necessary materials and reports on the performance of Contractors to LocumTenens.com's customer service/risk management team, medical director and legal counsel, and (3) advising us within 48 hours of your notification of any incident or claim involving a Contractor placed through LocumTenens.com so that we may assist in its resolution.

9.0 Term

9.1 The term of this Client Agreement is for a period of one (1) year and will automatically renew for successive one year terms unless otherwise terminated as provided herein.

9.2 Client may terminate this Client Agreement for any reason by giving at least thirty(30) days advance written notice of cancellation. Said thirty(30) day period shall commence upon the date of receipt of such notice by LocumTenens.com. Upon termination of this Client Agreement under this paragraph, you agree to pay us (i) all amounts owed hereunder for locum tenens coverage provided through the effective date of the termination plus (ii) the full amount payable and due for any uncompleted portion of the then existing locum tenens periods up to a maximum of thirty calendar days for each such period. You also agree to reimburse LocumTenens.com for any fees and/or charges incurred by us that result from the termination (such as airline penalties for cancellation and rescheduling, non-refundable housing deposits and the like) plus all other non-cancellable amounts which you would have been required to pay or reimburse us for through the remaining term of the then existing locum tenens periods (such as non-cancellable rental or lease costs).

9.3 LocumTenens.com may terminate this Client Agreement for any reason upon thirty(30) days prior written notice effective upon receipt by Client.

10.0 Mutual Indemnification

10.1 LocumTenens.com shall defend, indemnify, and hold harmless Client, its affiliates, officers, directors, employees, counsel, agents, and assigns from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal), and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") caused or alleged to have been caused, directly or indirectly, by or as a result of any breach by us, or any failure, negligence, or willful misconduct by us in connection with our performance, of this Client Agreement.

10.2 Client shall defend, indemnify, and hold LocumTenens.com, its affiliates, officers, directors, employees, counsel, agents, and assigns, harmless from and against any and all Damages caused or alleged to have been caused, directly or indirectly, by or as a result of any breach by Client, or any negligence or willful misconduct by Client in connection with its performance, of this Client Agreement or the provision of medical or health care services by Client or the assigned facility.

11.0 General

11.1 The terms or conditions hereof (including the fees payable hereunder), the identity and/or qualifications of the Contractors, and any other information of LocumTenens.com which we deem to be proprietary, are confidential and are provided for your internal use only in connection with your performance of this Client Agreement. You agree to not disclose, or discuss, any such information with any third party (including any Contractor) without our express written consent.

11.2 This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. Parties agrees to pay for reasonable expenses, including attorneys' fees to the prevailing party, after an award is rendered as a result of any controversy or claim arising out of or relating to the interpretation, enforcement, or breach of this Client Agreement or the relationship between the parties hereto. This paragraph shall be specifically enforceable.

11.3 Neither party shall be liable for any damages incurred by reason of any delay in fulfilling its respective obligations under this Client Agreement, if such delays are caused by conditions beyond the control of such party, including, but not limited to, governmental restrictions, natural disasters, work stoppages, labor disputes, war or insurrection, or acts of God.

11.4 The failure of either party to exercise any of its rights under this Client Agreement shall not be deemed to be a waiver of such rights.

11.5 This Client Agreement (which includes all attachments hereto, all coverage requests and addenda signed by the parties) is our entire agreement and supersedes all prior agreements between us. It binds us and each of our successors and assigns. This Client Agreement may not be assigned by you without our prior written consent. Any changes must be in writing and signed by both parties. If any provisions of this Client Agreement are found to be invalid, the other provisions will remain in full force and effect.

11.6 This Client Agreement does not create any rights in any party, other than LocumTenens.com and Client.

11.7 LocumTenens.com will retain its records and provide government authorities access to them consistent with Title 42 of the United States Code Annotated, Section 1395x(v)(1).

11.8 All notices, requests, instructions or other documents shall be in writing and shall be effective upon receipt, if given (i) in person or by courier or a courier service, (ii) by facsimile or other wire transmission, (iii) by electronic mail where receipt is confirmed, or (iv) by U.S. mail, certified or registered mail, postage prepaid, or overnight delivery service; addressed as set forth on the signature page.

11.9 This Client Agreement shall be governed by the laws of the State of Georgia.

The effective date of this Client Agreement is February 8, 2024

CLIENT: Tri-City Mental Health Authority	**LocumTenens.com, LLC**
Name:	**Name:**
Sign:	**Sign:**
Title:	**Title:**
Date:	**Date:**
Federal Employer ID:	**Notice Address:** 2655 Northwinds Parkway Alpharetta, GA 30009

Signature:

Email: jksmith@locumtenens.com

Tri-City Mental Health Authority
AGENDA REPORT

DATE: March 20, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Consideration of Resolution No. 736 Authorizing the Executive Director to Execute a Fourth Amendment to the Disposition and Development Agreement with Restore Neighborhoods, LA, Inc. for the Claremont Gardens Senior Housing Project at 956 W Baseline Road in Claremont, California

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Summary:

Staff seeks Governing Board approval of a Fourth Amendment to the Disposition and Development Agreement (DDA) with Restore Neighborhoods LA, Inc. (RNLA) to extend the escrow closing deadline for the Claremont Gardens senior housing project, required by the Developer of the project described in the Agreement.

Background:

On February 19, 2020, TCMHA Governing Board adopted Resolution No. 520 designating its No Place Like Home (NPLH) Non-Competitive Allocation Funds in the amount of $1,140,736 to develop a 15-unit construction/rehabilitation combined affordable housing and permanent supportive senior housing project, known as Claremont Gardens, in partnership with the City of Claremont, Genesis LA Economic Growth Corporation, and Restore Neighborhoods, LA, Inc. (RNLA); and on February 17, 2021 the Governing Board adopted Resolution No. 574 authorizing the Executive Director to enter into, and execute, a Disposition and Development Agreement with RNLA for the development, financing, and operation of the Claremont Gardens at TCMHA's property located at 956 W Baseline Road in Claremont, California. The DDA specified a closing date of, on or before June 30, 2021.

However, the California Department for Housing and Community Development (CDHDC) did not award TCMHA' NPLH non-competitive funds, until August 29, 2022; and on September 21, 2022, the Governing Board adopted Resolution No. 671 authorizing the acceptance of the Authority's non-competitive allocation award in the amount of $1,140,000 under the NPLH program (Round 4) for the Claremont Gardens Project.

Accordingly, TCMHA and RNLA amended the DDA on October 19, 2022, in order to extend the closing deadline to December 31, 2022; and approve a "Subordination and Intercreditor Agreement" required by other lenders for the project described in the Agreement.

Unfortunately, there were some delays in closing escrow at the end of December 2022 due to RNLA working on obtaining final prevailing-wage pricing for small subcontractors; finalizing multiple performance bonds for the project; and producing the final documents for the funding from the County of Los Angeles. Therefore, on December 21, 2022 the Governing Board adopted Resolution No. 689 authorizing the Second Amendment to the DDA to extend the close of escrow to March 31, 2023. However, delays continued and again the project did not close escrow on the established deadline by the Agreement requiring a third amendment to the DDA and an updated Subordination and Intercreditor Agreement (to reflect a change in funding by one of the investors) in 2023. Therefore, on November 15, 2023, the Governing Board adopted Resolution No. 726 approving the Third Amendment to the DDA to extend the closing deadline to February 15, 2024 required by the Developer; and on December 20, 2023, adopted Resolution No. 729, approving a new "Subordination and Intercreditor Agreement" with RNLA and the lenders of the project described in the Agreement.

All matters causing the previous delays have been resolved. However, the Developer stated that the reasons for the recent delays included the following:

- The Developer needed an additional allocation of funds to fully fund the contract and all cost escalations
- One of the Developer's contractors decided to decline the project late in the process
- Complications related to getting a performance bond for the project

All of the processes necessary to finalize project documents have now been completed and staff is now seeking authorization to execute a Fourth Amendment to the Disposition and Development Agreement to extend the escrow closing deadline to May 15, 2024.

<u>Fiscal Impact</u>:

The Amendment re-establishes TCMHA commitment 1) to transfer its property located at 956 W. Baseline Road in Claremont; 2) to provide supportive services to residents at the future Claremont Gardens, 15-unit housing development for 20 years; and 3) provide for 15 years additional annual funding as a Capital Operating Reserve Subsidy (COSR) in the amount of $24,000, with 3.5% annual increase, for Tri-City's eight (8) permanent supportive housing units, after RNLA has secured all other necessary funding and permissions to build the Claremont Gardens at 956 W. Baseline Road, Claremont, California 91711.

Recommendation:

Tri-City staff recommends that the Governing Board adopt Resolution No. 736 authorizing the Executive Director to execute the Fourth Amendment to the DDA with RNLA to extend the close of escrow deadline to May 15, 2024 for the Claremont Garden senior housing project at 956 W. Baseline Road in Claremont, California.

Attachments

Attachment 5-A: Resolution No. 736 - Draft

Attachment 5-B: Fourth Amendment to Disposition and Development Agreement

RESOLUTION NO. 736

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH RESTORE NEIGHBORHOODS, LA, INC. FOR THE CLAREMONT GARDENS SENIOR HOUSING PROJECT AT 956 W BASELINE ROAD IN CLAREMONT, CALIFORNIA

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") adopted Resolution No. 574 on February 17, 2022, authorizing to enter into, and execute, a Disposition and Development Agreement (DDA) with Restore Neighborhoods, LA, Inc. (RNLA) for the development, construction, financing, and operation of fifteen (15) units for seniors of combined affordable and permanent supportive housing project, known as the Claremont Gardens, at 956 W. Baseline Road, Claremont, California 91711.

B. On October 19, 2022, the Authority adopted Resolution No. 676 to amend the DDA to extend the escrow closing deadline to December 31, 2022; and approve a "Subordination and Intercreditor Agreement" required by other lenders for the project described in the Agreement.

C. On December 21, 2022, the Authority adopted Resolution No. 689 approving the Second Amendment to the DDA to extend the closing deadline to March 31, 2023 required by the Developer.

D. On November 15, 2023, the Authority adopted Resolution No. 726 approving the Third Amendment to the DDA to extend the closing deadline to February 15, 2024 required by the Developer; and on December 20, 2023, adopted Resolution No. 729, approving a new "Subordination and Intercreditor Agreement" with RNLA and the lenders of the project described in the Agreement.

E. The Authority desires to amend again the Agreement in order to extend the escrow closing deadline to May 15, 2024 required by the Developer.

2. Action

The Authority's Executive Director is authorized to enter into, and execute, the Fourth Amendment to the Disposition and Development Agreement with RNLA to extend the escrow closing deadline to May 15, 2024 for the Claremont Gardens housing project at 956 W. Baseline Road in Claremont, California.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on March 20, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM: ATTEST:

STEVEN L. FLOWER, GENERAL COUNSEL
MICAELA P. OLMOS, RECORDING SECRETARY

FOURTH AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT

THIS FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (the "Amendment") is dated as of March 20, 2024 and is entered into by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a California joint powers authority ("TCMHA"), and RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation ("Developer").

RECITALS

A. TCMHA and Developer entered into that certain Disposition and Development Agreement dated February 17, 2021 ("Agreement"). Capitalized terms used but not defined herein shall be defined as set forth in the Agreement.

B. TCMHA and Developer amended that certain Disposition and Development Agreement on October 19, 2022, in order to extend the closing deadline to December 31, 2022; and approve a "Subordination and Intercreditor Agreement" required by other lenders for the project described in the Agreement.

C. TCMHA and Developer entered into a Second Amendment of that certain Disposition and Development Agreement on December 21, 2022, in order to extend the closing deadline to March 31, 2023 required by the Developer.

D. TCMHA and Developer entered into a Third Amendment of that certain Disposition and Development Agreement on November 15, 2023, in order to extend the closing deadline to February 15, 2024 required by the Developer.

E. TCMHA and Developer desire to sign a Fourth Amendment to that certain Disposition and Development Agreement in order to extend the closing deadline to May 15, 2024 required by the Developer.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained in this Amendment, the parties hereto agree as to amend the Agreement as follows:

1. <u>Extension of Closing Deadline</u>. The closing deadline of June 30, 2021 in Section 2.1 of the Agreement is hereby extended to May 15, 2024 (it being understood that the parties may close prior to that date).

3. <u>Conflict</u>. Except as amended herein, the Agreement remains in full force and effect. To the extent of any conflict between this Amendment and the Agreement, this Amendment shall govern.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the day and year first above written.

DEVELOPER:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit corporation

By:____________________________________
John Perfitt, Executive Director

TCMHA:

TRI-CITY MENTAL HEALTH AUTHORITY,
a California joint powers authority

By:____________________________________
Rimmi Hundal, Executive Director

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
TCMHA Special Counsel

By: ____________________________
Bruce Galloway

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: March 20, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

SUBJECT: Executive Director's Monthly Report

CONTRACT WITH DHCS

On July 21, 2021, the Governing Board adopted Resolution No. 601 authorizing the Authority's Executive Director to enter into a County Performance Contract (CPC) with the California Department of Health Care Services (DHCS), as required by Welfare and Institutions Code, in order to be in alignment with the DHCS which sets forth the conditions and requirements that counties, including Tri-City Mental Health Authority, must meet to receive funding for the provision of MHSA services and programs.

The DHCS administers the Mental Health Services Act, Lanterman-Petris-Short Act, and Substance abuse treatment and prevention programs and oversees county provision of community mental health services pursuant to Bronzan-McCorquodale Act. The CPC was effective beginning July 1, 2021 through June 30, 2024; and the DHCS intends to extend the term of our CPC for another fiscal year from June 30, 2024 to June 30, 2025. The DHCS notified TCMHA that they would be utilizing the original resolution approved by the Authority's Governing Board for this term amendment since the only change is an additional 12 months' time to the CPC, which will allow TCMHA to continue to receive MHSA funding through June 30, 2025. The Authority's Executive Director has signed the Amendment and the documents related thereto.

GREEN RIBBON WEEK

Each year Tri-City celebrates "Green Ribbon Week" (GRW) during the 3rd week of March. Our stigma reduction campaign is an everyday campaign, but Green Ribbon Week highlights our effort to mobilize community involvement and education. GRW continues the efforts to reduce mental health stigma and increase awareness of mental health needs and resources in our local community.

#ThriveinMind is this year's GRW theme. Join us in March for free community-wide activities and events, both in-person and virtually. Visit ww.tricitymhs.org explore our upcoming events, resources and learn ways to support yourself and your loved ones. For more information, please contact Brittany Nguyễn, Community Capacity Organizer, at bnguyen@tricitymhs.org.

SUMMER CAMP AT THE WELLNESS CENTER

The wellness Center will be hosting its 14th Annual Summer Camp in July. Campers ages 7-12 can benefit from socializing, learning and discovering new things. Camp activities are offered Monday through Friday for 4 weeks. And it's FREE! Applications will be available for pick-up beginning April 1st at the Tri-City Wellness Center located at 1403 N. Garey Avenue, Pomona, CA 91767. This free program is open to children and youth ages 7-12, residing in Pomona, Claremont, and La Verne.

HUMAN RESOURCES

Staffing – Month Ending February 2024

- Total Staff is 209 full-time and 8 part-time plus 36 full-time vacancies 3 part-time vacancies for a total of 251 positions.
- There were 5 new hires in February 2024.
- There were 0 separations in February 2024.

Workforce Demographics in February 2024

- American Indian or Alaska Native = 3.13%
- Asian = 9.22%
- Black or African American = 8.29%
- Hispanic or Latino = 61.75%
- Native Hawaiian or Other Pacific Islander = 0.46%
- Other = 3.23%
- Two or more races = 1.84%
- White or Caucasian = 14.75%

Posted Positions in February 2024

- Behavioral Health Advocate I – Wellness Center (.5 FTE)
- Behavioral Health Specialist – Access to Care (1 FTE) – *pending hire*
- Behavioral Health Specialist – Adult (2 FTEs)
- Clinical Supervisor I – Access to Care (1 FTE)
- Clinical Therapist I/II – AOP (1 FTE)
- Clinical Therapist I/II – COP & School Partnership (2 FTEs)
- Psychiatric Technician I/II (1 FTE) – *pending hire*
- Psychiatrist (1 FTE)
- Quality Assurance Specialist II (1 FTE)

COVID-19 UPDATE

Effective March 1, 2022, the California Department of Public Health required healthcare workers to be vaccinated against COVID-19 or have an approved exemption. As of February 29, 2024, Tri-City staff have a vaccination compliancy rate of 89.40%. In February 2024, Tri-City, in conjunction with the County of LA's Department of Public Health requirement, reduced our masking requirement for healthcare workers that have received both the 2023-2024 COVID-19 vaccine booster and the influenza vaccine. As of February 29, 2024, 22.16% of our current vaccinated workforce has received both vaccinations. We anticipate that number to continue to grow in the coming weeks as more staff become eligible for the 2023-2024 booster.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: March 20, 2024

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 SEVEN MONTHS ENDED January 31, 2024 (2024 FISCAL YEAR-TO-DATE):

The financials presented herein are the PRELIMINARY and unaudited financial statements for the seven months ended January 31, 2024. 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 $7.6 million. MHSA operations accounted for approximately $7.5 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 2023, Tri-City received MHSA funding of approximately $11.4 million, of which $8.4 million were for approved programs for fiscal 2023-24 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2023. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2023-24. In addition, during this current fiscal year 2023-24 approximately $15.6 million in MHSA funding has been received of which $7.1 million was identified and approved for use in the current fiscal year 2023-24 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately $15.5 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 increase in net position of approximately $66 thousand is from Clinic outpatient operations, which is the result of operations for the seven months ended January 31, 2024 which includes one-time payments made at the beginning of the year.

The total cash balance at January 31, 2024 was approximately $46.8 million, which represents an increase of approximately $7.7 million from the June 30, 2023 balance of approximately $39.1 million. Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had an increase in cash of approximately $977 thousand primarily as a result timing of cash receipts from LADMH. MHSA operations reflected an increase in cash of approximately $6.8 million, after excluding intercompany receipts or costs resulting from clinic operations. Total increase in MHSA cash reflects the receipt of approximately $15.6 million in MHSA funds offset by the use of cash for MHSA operating activities.

Approximately $4.8 million in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the seven months ended January 31, 2024. Note that all receipts in the current year have been related to outstanding accounts receivable, no amounts related to current year billings have been received to-date.

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. As of the date of this report (March 13, 2024) the outcome of Prop 1 is still unknown.

CalAIM:
As of September 7, 2023, Tri City was able to bill our first batch of claims and are currently awaiting adjudication from the State of said claims. There is currently no ETA as to when to expect this initial billing batch to be processed and paid. As of January 31, 2024 an estimated $6.8 million in Medi-Cal claims has been recognized as revenue in the current year. As of March 13, 2024, Tri-City has started to see claims being approved by the State, however payment is still pending.

<u>MHSA Funding Updates</u>:

Estimated Current Cash Position – The following table represents a brief summary of the estimated (unaudited) current MHSA cash position as of the seven months ended January 31, 2024.

		MHSA	
Cash at January 31, 2024	$	37,399,849	
Receivables net of Reserve for Cost Report Settlements		3,645,921	
Prudent Reserves		(2,200,000)	*
Estimated Remaining Expenses for Operations FY 2023-24		(7,355,241)	**
Reserved for future CFTN Projects including approved TCG Project		(2,766,259)	
Total Estimated Adjustments to Cash		(8,675,579)	
Estimated Available at June 30, 2024	$	28,724,270	
Estimated remaining MHSA funds to be received in FY 2023-24	$	6,320,102	

* 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, 2024, net of estimated Medi-Cal revenue, including actual and estimated amounts to year end 06/30/2024.

MHSA Expenditures and MHSA Revenue Receipts –

<u>FY 2023-24 Revenue Projections</u>: 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. As a result, MHSA receipts were $11.4 million for fiscal year 2022-23. Just like we experienced in fiscal year 2019-20, cash receipts were anticipated to decrease significantly followed by a significant increase in cash receipts in fiscal year 2023-24. To date, Tri City has received $15.6 million for the seven months ended January 31, 2024. For reference, the following table is an excerpt from the Fiscal Year 2023-24 MHSA Three-Year Plan.

Included in the MHSA FY 2023-24 Annual Update	CSS	PEI	Innovation	WET	CFTN	Totals
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 *(as of June of 2023)*	17,998,168	4,499,542	1,184,090	-	-	23,681,800

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 February 29, 2024 based on the fiscal year 2022-23 Annual Revenue and Expense Report (ARER). The next updated information from DHCS is expected in March of 2025.

CSS reversion waterfall analysis

CSS amounts received

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24*	Total
	8,797,914	9,293,482	11,824,329	13,252,035	9,139,346	**14,638,889**	75,622,843
Expended in:							
2017-18							-
2018-19	-						939,014
2019-20	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	5,723,323	-		13,871,119
2023-24 **				**7,528,712**	**6,581,993**	**-**	**14,110,705**
2024-25 **					**2,557,353**	**12,499,284**	**15,056,637**
2025-26							-
Total Expended	8,797,914	9,293,482	11,824,329	13,252,035	9,139,346	12,499,284	73,483,238
Unspent Balance	-	-	-	-	-	2,139,605	2,139,605

*=Based on latest revenue projections
**=Planned Expenditures based on approved MHSA Plan

PEI reversion waterfall analysis

PEI amounts received

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24*	Total
	2,145,788	2,119,324	2,173,110	2,948,240	3,311,501	2,260,797	3,659,723	18,618,483
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	1,718,632			3,357,176
2023-24 **					***1,592,869***	***1,743,197***		**3,336,066**
2024-25 **						***517,600***	***3,488,812***	4,006,412
2025-26 **								-
Total Expended	2,145,788	2,119,324	2,173,110	2,948,240	3,311,501	2,260,797	3,488,812	18,447,572
Unspent Balance	-	-	-	-	-	-	170,911	170,911

*=Based on latest revenue projections
**=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 AB 114**	**FY 17-18**	**FY 18-19**	**FY 19-20**	**FY 20-21**	**FY 21-22**	**FY 22-23**	
Encumbered Unspent Funds3	799,187	302,889	580,471	550,879	784,114	245,707	-	
Unencumbered Unspent Funds4	-	-	-	-	-	628,829	620,101	
Unspent Balance	**799,187**	**302,889**	**580,471**	**550,879**	**784,114**	**874,536**	**874,536**	
Encumbered Funds Starting Balance →	**799,187**	**302,889**	**580,471**	**550,879**	**784,114**	**245,707**	**-**	
Applied Expenditure ↓								**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	-	-	555,436	179,342	-	-	-	734,778
FY 23-24								
Encumbered Unspent Balance →	-	-	-	371,537	784,114	245,707	-	

Note that in fiscal year 2024, the INN *Community Planning Process for Innovation Project(s)* program was approved by the MHSAOAC in the amount of $675 thousand. Thus, the remaining unencumbered amounts needing to be programmed by June 30, 2025 is $574 thousand.

FACILITIES DEPARTMENT

The Community Garden Upgrades:

A contract for the completion of this project was approved and awarded during the March 15, 2023 Governing Board Meeting. This project is considered substantially complete with the exception of some phases that are experiencing 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 with the latest projection from the contractor that the project should be complete by the end of June 2024.

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. As reported previously, the plans were approved by the City of Pomona and the RFP process is now completed. The next phase will be to bring forth a contract for approval to the Governing Board Meeting as soon as possible, projecting the March or April board meeting. Target date of project completion will be the summer of 2024.

Attachments:

Attachment 7-A: January 31, 2024 Unaudited Monthly Financial Statements

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION

	AT JANUARY 31, 2024			AT JUNE 30, 2023		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
Current Assets						
Cash	$ 9,433,196	$ 37,399,849	$ 46,833,045	$ 8,976,643	$ 30,118,745	$ 39,095,388
Accounts receivable, net of reserve for uncollectible accounts $1,103,405 at January 31, 2024 and $742,206 at June 30, 2023	6,579,535	6,727,340	13,306,875	7,384,134	5,365,900	12,750,034
Total Current Assets	16,012,731	44,127,189	60,139,920	16,360,777	35,484,646	51,845,422
Property and Equipment						
Land, building, furniture and equipment	3,886,253	10,466,134	14,352,387	3,822,091	10,235,918	14,058,009
Accumulated depreciation	(2,818,187)	(4,785,771)	(7,603,958)	(2,759,359)	(4,527,857)	(7,287,216)
Rights of use assets-building lease	1,753,343	-	1,753,343	1,753,343	-	1,753,343
Accumulated amortization-building lease	(1,246,211)	-	(1,246,211)	(1,037,395)	-	(1,037,395)
Rights of use assets-SBITA	1,242,305	-	1,242,305	1,242,305	-	1,242,305
Accumulated amortization-SBITA	(281,875)	-	(281,875)	(281,875)	-	(281,875)
Total Property and Equipment	2,535,627	5,680,363	8,215,991	2,739,110	5,708,061	8,447,171
Other Assets						
Deposits and prepaid assets	256,746	124,850	381,596	58,348	248,892	307,240
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	2,792,373	8,605,213	11,397,586	2,797,458	8,756,953	11,554,411
Total Assests	18,805,104	52,732,402	71,537,506	19,158,235	44,241,599	63,399,833
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	5,749,104	-	5,749,104	5,749,104	-	5,749,104
Total Deferred Outflows of Resources	5,749,104	-	5,749,104	5,749,104	-	5,749,104
Total Assets and Deferred Outflows of Resouces	**$ 24,554,208**	**$ 52,732,402**	**$ 77,286,610**	**$ 24,907,339**	**$ 44,241,599**	**$ 69,148,938**
LIABILITIES						
Current Liabilities						
Accounts payable	365,087	118,212	483,299	449,997	363,879	813,876
Accrued payroll liabilities	983,886	2,569,913	3,553,799	917,396	2,409,809	3,327,205
Accrued vacation and sick leave	644,082	1,255,890	1,899,971	608,466	1,063,071	1,671,537
Deferred revenue	395,588	-	395,588	259,720	-	259,720
Reserve for Medi-Cal settlements	3,597,186	3,081,419	6,678,605	3,440,500	2,883,786	6,324,286
Current portion of lease liability	149,155	-	149,155	357,971	-	357,971
Current portion of SBITA liability	293,741	-	293,741	293,741	-	293,741
Total Current Liabilities	6,428,724	7,025,435	13,454,159	6,327,790	6,720,545	13,048,335
Intercompany Acct-MHSA & TCMH	(104,697)	104,697	-	415,625	(415,625)	-
Long-Term Liabilities						
Lease liability	357,977		357,977	357,977	-	357,977
SBITA liability	666,689		666,689	666,689	-	666,689
Net pension liability	8,262,600	-	8,262,600	8,262,600	-	8,262,600
Unearned MHSA revenue	-	9,552,301	9,552,301	-	1,080,332	1,080,332
Total Long-Term Liabilities	9,287,266	9,552,301	18,839,567	9,287,266	1,080,332	10,367,598
Total Liabilities	15,611,293	16,682,433	32,293,726	16,030,681	7,385,252	23,415,933
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	8,349,489	8,349,489
Deferred inflows related to the net pension liability	237,328	-	237,328	237,328	-	237,328
Total Deferred Inflow of Resources	237,328	-	237,328	237,328	8,349,489	8,586,817
NET POSITION						
Invested in capital assets net of related debt	1,068,066	5,680,363	6,748,429	1,062,732	5,708,061	6,770,793
Restricted for MHSA programs	-	30,369,606	30,369,606	-	22,798,797	22,798,797
Unrestricted	7,637,521	-	7,637,521	7,576,597	-	7,576,596
Total Net Position	8,705,587	36,049,969	44,755,556	8,639,329	28,506,858	37,146,187
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 24,554,208**	**$ 52,732,402**	**$ 77,286,610**	**$ 24,907,339**	**$ 44,241,599**	**$ 69,148,938**

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
SEVEN MONTHS ENDED JANUARY 31, 2024 AND 2023

	PERIOD ENDED 1/31/24			PERIOD ENDED 1/31/23		
	TCMH Unaudited	**MHSA Unaudited**	**Consolidated Unaudited**	**TCMH Unaudited**	**MHSA Unaudited**	**Consolidated Unaudited**
OPERATING REVENUES						
Medi-Cal FFP	$ 2,560,048	$ 3,043,050	$ 5,603,098	$ 1,433,929	$ 2,018,377	$ 3,452,306
Medi-Cal FFP FYE Prior Year	67,297	3,039	70,336	295,388	310,501	605,889
Medi-Cal SGF-EPSDT	516,009	592,778	1,108,787	352,838	455,155	807,993
Medi-Cal SGF-EPSDT Prior Year	3,379	25,813	29,192	109,890	116,587	226,477
Medicare	4,422	3,013	7,435	3,656	1,398	5,054
Contracts	7,500	18,088	25,588	7,500	17,564	25,064
Patient fees and insurance	409	180	588	496	57	553
Rent income - TCMH & MHSA Housing	6,468	43,509	49,977	6,468	39,090	45,558
Other income	436	358	793	473	139	611
Net Operating Revenues	**3,165,968**	**3,729,827**	**6,895,795**	**2,210,637**	**2,958,866**	**5,169,504**
OPERATING EXPENSES						
Salaries, wages and benefits	4,774,031	9,927,538	14,701,568	4,613,931	8,681,737	13,295,667
Facility and equipment operating cost	332,379	713,278	1,045,657	344,443	691,447	1,035,890
Client lodging, transportation, and supply expense	109,046	451,019	560,065	10,732	441,384	452,116
Depreciation & amortization	171,358	354,200	525,558	168,388	375,647	544,035
Other operating expenses	477,102	1,294,876	1,771,978	347,162	1,004,350	1,351,513
Total Operating Expenses	**5,863,916**	**12,740,910**	**18,604,826**	**5,484,655**	**11,194,565**	**16,679,220**
OPERATING (LOSS) (Note 1)	**(2,697,948)**	**(9,011,083)**	**(11,709,031)**	**(3,274,018)**	**(8,235,699)**	**(11,509,717)**
Non-Operating Revenues (Expenses)						
Realignment	2,161,144	-	2,161,144	2,920,128	-	2,920,128
MHSA funds	-	15,539,345	15,539,345	-	16,352,860	16,352,860
Grants and Contracts	433,378	-	433,378	26,733	-	26,733
Interest Income net with FMV	169,684	1,014,849	1,184,533	31,085	139,628	170,714
Total Non-Operating Revenues (Expense)	2,764,206	16,554,194	19,318,400	2,977,945	16,492,488	19,470,434
INCOME (LOSS)	**66,258**	**7,543,111**	**7,609,369**	**(296,072)**	**8,256,790**	**7,960,717**
Special Item:						
Receipt of SB90 claims previously reserved	-	-	-	-	-	-
	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	**66,258**	**7,543,111**	**7,609,369**	**(296,072)**	**8,256,790**	**7,960,717**
NET POSITION, BEGINNING OF YEAR	8,639,329	28,506,858	37,146,187	7,995,472	25,853,634	33,849,106
NET POSITION, END OF MONTH	**$ 8,705,587**	**$ 36,049,969**	**$ 44,755,556**	**$ 7,699,399**	**$ 34,110,424**	**$ 41,809,823**

(**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
SEVEN MONTHS ENDED JANUARY 31, 2024 AND 2023

	PERIOD ENDED 1/31/24			PERIOD ENDED 1/31/23		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	$ 2,207,483	$ 2,443,573	$ 4,651,057	$ 2,570,450	$ 2,365,933	$ 4,936,383
Cash payments to suppliers and contractors	(1,356,957)	(2,677,084)	(4,034,041)	(955,800)	(2,228,512)	(3,184,312)
Payments to employees	(4,671,925)	(9,574,615)	(14,246,539)	(4,571,165)	(8,522,929)	(13,094,095)
	(3,821,398)	(9,808,125)	(13,629,524)	(2,956,516)	(8,385,509)	(11,342,024)
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	15,631,560	15,631,560	-	7,819,609	7,819,609
CalHFA-State Administered Projects	-	30,266	30,266	-	64,485	64,485
Realignment	3,485,055	-	3,485,055	3,578,350	-	3,578,350
Grants and Contracts	946,356	-	946,356	148,100	-	148,100
	4,431,411	15,661,826	20,093,237	3,726,450	7,884,094	11,610,544
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(64,161)	(230,216)	(294,377)	(8,327)	(50,559)	(58,886)
Intercompany-MHSA & TCMH	(520,323)	520,323	-	(1,144,906)	1,144,906	-
	(584,484)	290,107	(294,377)	(1,153,233)	1,094,347	(58,886)
Cash Flows from Investing Activities						
Interest received	150,168	894,097	1,044,265	56,406	318,336	374,743
	150,168	894,097	1,044,265	56,406	318,336	374,743
Cash Flows from Reorganization Items						
Receipt of SB90 claims previously reserved and accrued	241,378	-	241,378	-	-	-
	241,378	-	241,378	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	417,075	7,037,904	7,454,979	(326,892)	911,269	584,376
Cash Equivalents at Beginning of Year	8,976,643	30,118,745	39,095,388	8,386,759	31,504,790	39,891,549
Cash Equivalents at End of Month	**$ 9,393,717**	**$ 37,156,650**	**$ 46,550,367**	**$ 8,059,866**	**$ 32,416,059**	**$ 40,475,925**
Cash from the Balance Sheet	**9,433,196**	**37,399,849**	**46,833,045**	**8,033,555**	**32,228,219**	**40,261,775**
YTD Gain/(Loss) from GASB 31 Fair Market Value	**$ 39,479**	**243,199**	**282,678**	**$ (26,311)**	**(187,840)**	**(214,151)**

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
ACTUAL TO BUDGET COMPARISON
SEVEN MONTHS ENDING JANUARY 31, 2024
(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	$ 2,791,765	$ 1,833,229	$ 958,536	$ 3,318,484	$ 2,542,019	$ 776,465	$ 6,110,249	$ 4,375,247	$ 1,735,001
Medi-Cal FFP Prior Year	73,388	-	73,388	3,314	-	3,314	76,702	-	76,702
Medi-Cal SGF-EPSDT	562,714	-	562,714	646,432	-	646,432	1,209,146	-	1,209,146
Medi-Cal SGF-EPSDT Prior Year	3,685	-	3,685	28,149	-	28,149	31,835	-	31,835
Medicare	4,422	2,917	1,506	3,013	1,225	1,788	7,435	4,142	3,293
Patient fees and insurance	409	583	(175)	180	-	180	588	583	5
Contracts	7,500	11,667	(4,167)	18,088	16,333	1,755	25,588	28,000	(2,412)
Rent income - TCMH & MHSA Housing	6,468	6,468	-	43,509	40,833	2,676	49,977	47,301	2,676
Other income	436	642	(206)	358	-	358	793	642	151
Provision for contractual disallowances	(278,422)	-	(278,422)	(329,088)	-	(329,088)	(607,510)	-	(607,510)
Provision for contractual disallowances prior year	(6,397)	-	(6,397)	(2,611)	-	(2,611)	(9,009)	-	(9,009)
Net Operating Revenues	**3,165,968**	**1,855,505**	**1,310,463**	**3,729,827**	**2,600,410**	**1,129,416**	**6,895,795**	**4,455,915**	**2,439,879**
OPERATING EXPENSES									
Salaries, wages and benefits	4,774,031	6,082,086	(1,308,055)	9,927,538	11,452,298	(1,524,761)	14,701,568	17,534,384	(2,832,816)
Facility and equipment operating cost	332,383	359,321	(26,937)	713,545	721,075	(7,530)	1,045,928	1,080,396	(34,467)
Client program costs	109,046	36,360	72,685	451,019	363,360	87,660	560,065	399,720	160,345
Grants	12,623	-	12,623	88,559	215,833	(127,274)	101,182	215,833	(114,651)
MHSA training/learning costs			-	41,217	57,828	(16,611)	41,217	57,828	(16,611)
Depreciation & amortization	171,358	165,601	5,757	354,200	369,998	(15,799)	525,558	535,600	(10,042)
Other operating expenses	464,476	300,724	163,751	1,164,832	1,725,805	(560,972)	1,629,308	2,026,529	(397,221)
Total Operating Expenses	**5,863,916**	**6,944,092**	**(1,080,176)**	**12,740,910**	**14,906,197**	**(2,165,287)**	**18,604,826**	**21,850,289**	**(3,245,463)**
OPERATING (LOSS)	**(2,697,948)**	**(5,088,587)**	**2,390,639**	**(9,011,083)**	**(12,305,787)**	**3,294,703**	**(11,709,031)**	**(17,394,374)**	**5,685,342**
Non-Operating Revenues (Expenses)									
Realignment	2,161,144	2,566,667	(405,523)	-	-	-	2,161,144	2,566,667	(405,523)
MHSA Funding	-	-	-	15,539,345	15,539,345	-	15,539,345	15,539,345	-
Grants and contracts	433,378	624,543	(191,165)	-	-	-	433,378	624,543	(191,165)
Interest (expense) income, net	169,684	76,125	93,559	1,014,849	452,622	562,227	1,184,533	528,747	655,786
Total Non-Operating Revenues (Expense)	**2,764,206**	**3,267,334**	**(503,128)**	**16,554,194**	**15,991,967**	**562,227**	**19,318,400**	**19,259,301**	**59,099**
Special Item: Net reorganization income (expense)	-	-	-	-	-	-	-	-	-
INCREASE(DECREASE) IN NET POSITION	**$ 66,258**	**$ (1,821,253)**	**$ 1,887,510**	**$ 7,543,111**	**$ 3,686,180**	**$ 3,856,931**	**$ 7,609,369**	**$ 1,864,928**	**$ 5,744,441**

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
SEVEN MONTHS ENDING JANUARY 31, 2024

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 higher than the budget by $2.4 million for the following reasons:

1 **Medi-Cal FFP revenues for FY 2023-24** were $1.7 million higher than the budget. Medi-Cal FFP revenues were approximately $959 thousand higher for TCMH and $776 thousand higher for MHSA. At TCMH, the adult program revenues were higher than budget by $428 thousand and the children program revenues were higher by $531 thousand. For MHSA, the adult and older adult FSP programs were higher than budget by $322 thousand and the Children and TAY FSP programs were higher by $454 thousand. Additionally, as the result of the fiscal year 2020-21 interim cost report settlement, a total of approximately $77 thousand in prior year Medi-Cal FFP revenues were recorded to the current year operations.

2 **Medi-Cal SGF-EPSDT revenues for fiscal year 2023-24** were higher than budget by $1.2 million of which $563 thousand higher were from TCMH and $646 thousand higher were from MHSA. As was mentioned above, an additional $32 thousand in prior year Medi-Cal SGF-EPSDT revenue were recorded to the current year operations. SGF-EPSDT relates to State for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSDT) to children and youth under 21 years.

3 **Medicare revenues** are approximately $3 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 lower than the budget by $2 thousand.

5 **Rent Incomes** are $3 thousand higher 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 2023-24 was higher than budget by $616 thousand including prior years amount.

Operating Expenses

Operating expenses were lower than budget by $3.2 million for the following reasons:

1 **Salaries and benefits** are $2.8 million lower than budget and of that amount, salaries and benefits are $1.3 million lower for TCMH operations and are $1.5 million lower for MHSA operations. These variances are due to the following:

TCMH salaries are lower than budget by $722 thousand due to vacant positions and benefits are lower than budget by $586 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 $756 thousand. The direct program salary costs are lower by $808 thousand due to vacant positions and the administrative salary costs are higher than budget by $52 thousand. Benefits are lower than the budget by another $768 thousand. Of that, health insurance is lower than budget by $310 thousand, retirement insurance is lower by $347 thousand, state unemployment insurance is lower by $54 thousand, workers compensation is lower by $15 thousand, medicare tax and other insurances are lower by $42 thousand.

> *Benefits variances are high compare to the salary variances for both TCMH and MHSA. These are due to the implementation of the Governing Board approved Resolution 724 this year for all salary classifications. All staff salaries are brought up to the new Six-step Salary Schedule except for the Clinical Therapist I/II and Clinical Supervisor I/II of which were already adjusted in March 2022. This resulted in a higher rate of salary increases compare to benefits when benefit insurance costs such as health, dental and vision remain constant.*

2 **Facility and equipment operating costs** were lower than the budget by $34 thousand of which $27 thousand lower were from TCMH and $7 thousand higher were from MHSA. Overall, building and facility costs were lower by $3 thousand and equipment expenses were lower by $31 thousand.

3 **Client program costs** are higher than the budget by approximately $160 thousand partly due to a payment of $396 thousand to the City of Pomona Hope for Home Year-Round Emergency Shelter early in the year while the budget is evenly spread out over a fiscal year.

4 **Grants for fiscal year 2023-24** are $115 thousand lower than the budget. These are the community grants awarded under the PEI Community Wellbeing project and the Student Loan Forgiveness program under the WET plan which was planned to be disbursed later in June.

5 **MHSA learning and training costs** are approximately $17 thousand lower than the budget.

6 **Depreciation and amortization** are $10 thousand lower than the budget.

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)

7 **Other operating expenses** were lower than the budget by $397 thousand of which approximately $164 thousand higher were from TCMH and $561 thousand lower were from MHSA. At TCMH, liability insurance was higher by $147 thousand mainly from the Psychiatric Assessment Care Team (PACT) program with the City of Claremont Police Department, the attorney fees were higher than the budget by $56 thousand, dues and subscriptions fees are higher by $10 thousand. These higher costs were offset by lower personnel ads, supplies and other miscellaneous costs. As for MHSA, professional fees were lower than the budget by $120 thousand due to a slow startup by the INN Psychiatric Advance Directives program. Also, IT expenses under the CFTN plan were lower by $572 thousand. These lower expenses are offset with higher attorney fees and security expense.

Non-Operating Revenues (Expenses)

Non-operating revenues, net, are higher than budget by $59 thousand as follows:

1 **TCMH non-operating revenues** are $503 thousand lower than the budget. Of that, realignment fund was lower than the budget by $406 thousand, grants and contracts were lower by $191 thousand from the Crisis Care Mobil Units (CCMU) program. Interest income net with fair market value was higher by $94 thousand.

2 **MHSA non-operating revenue** is in line with the budget.
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	$ 11,610,705	$ 11,610,705	$ -
PEI funds received and available to be spent	3,336,068	3,336,068	-
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	592,572	592,572	-
Non-operating revenues recorded	$ 15,539,345	$ 15,539,345	$ -

CSS, PEI and INN recorded revenues are all in line with the budget.

Interest income net with Fair Market Value for MHSA is higher than budget by $562 thousand**.**

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SEVEN MONTHS ENDED JANUARY 31, 2024 AND 2023

	PERIOD ENDED 1/31/24			PERIOD ENDED 1/31/23		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
REVENUES						
Medi-Cal FFP, net of reserves	$ 2,560,048	$ 3,043,050	$ 5,603,098	$ 1,433,929	$ 2,018,377	$ 3,452,306
Medi-Cal FFP FYE Prior Year	67,297	3,039	70,336	295,388	310,501	605,889
Medi-Cal SGF-EPSDT	516,009	592,778	1,108,787	352,838	455,155	807,993
Medi-Cal SGF-EPSDT Prior Year	3,379	25,813	29,192	109,890	116,587	226,477
Medicare	4,422	3,013	7,435	3,656	1,398	5,054
Realignment	2,161,144	-	2,161,144	2,920,128	-	2,920,128
MHSA funds	-	15,539,345	15,539,345	-	16,352,860	16,352,860
Grants and contracts	440,878	18,088	458,966	34,233	17,564	51,797
Patient fees and insurance	409	180	588	496	57	553
Rent income - TCMH & MHSA Housing	6,468	43,509	49,977	6,468	39,090	45,558
Other income	436	358	793	473	139	611
Interest Income	169,684	1,014,849	1,184,533	31,085	139,628	170,714
Total Revenues	**5,930,174**	**20,284,021**	**26,214,195**	**5,188,583**	**19,451,355**	**24,639,937**
EXPENSES						
Salaries, wages and benefits	4,774,031	9,927,538	14,701,568	4,613,931	8,681,737	13,295,667
Facility and equipment operating cost	332,379	713,278	1,045,657	344,443	691,447	1,035,890
Client lodging, transportation, and supply expense	109,046	451,019	560,065	10,732	441,384	452,116
Depreciation & amortization	171,358	354,200	525,558	168,388	375,647	544,035
Other operating expenses	477,102	1,294,876	1,771,978	347,162	1,004,350	1,351,513
Total Expenses	**5,863,916**	**12,740,910**	**18,604,826**	**5,484,655**	**11,194,565**	**16,679,220**
INCREASE (DECREASE) IN NET POSITION	**66,258**	**7,543,111**	**7,609,369**	**(296,072)**	**8,256,790**	**7,960,717**
NET POSITION, BEGINNING OF YEAR	8,639,329	28,506,858	37,146,187	7,995,472	25,853,634	33,849,106
NET POSITION, END OF MONTH	**$ 8,705,587**	**$ 36,049,969**	**$ 44,755,556**	**$ 7,699,399**	**$ 34,110,424**	**$ 41,809,823**

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: **March 20, 2024**

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**

CLINICAL PROGRAM GENERAL UPDATES

Grant Department Update

Staff are providing an update to the governing board regarding two grant projects—Mental Health Student Services Act (MHSSA) and Crisis Care Mobile Units (CCMU)—and reporting on the progress of associated activities.

Mental Health Student Services Act MHSSA staff recently submitted a six-month (August 1, 2023, to January 31, 2024) data report on February 27, 2024, to the funder, California Mental Health Services Oversight and Accountability Commission (MHSOAC). Examples of MHSSA project activities, which contribute to various data points, include:

- Completion of assessments, group services, individual and family therapy, and collateral monitoring of clients' behavior and progress by clinicians.

- Performance of screening, collateral work, individual rehabilitation, coordination of enrollment appointments, and linking families with community navigators for immediate non-mental health-related support by mental health specialists.

- Establishment of support groups, tailored by age group and group dynamics, focusing on establishing connections through discussions on emotions such as happiness, sadness, anger, and fear, facilitated by clinical wellness advocates.

- Hosting of Let's Talk Wellness Webinar series, Fathers Group meetings, and training sessions on Youth Mental Health First Aid, Cognitive Behavioral Intervention for Trauma in Schools, and Trevor Project Ally.

- Participation in partner-hosted events, including tabling at mental health and wellness fairs, workshops, and presentations at student body meetings, to raise awareness about Tri-City's MHSSA and general services.

- Initiation of project implementation by MHSSA sub-grantees upon contract execution.

Summative data can be found in the tables below.

Six-month period: Aug. 1, 2023- Jan. 31, 2024	Number of students	Sub-grantees (project)				
	TCMHA	Claremont USD (Mentoring)	Claremont USD (Therapists)	School of Arts and Enterprise (Wellness)	Cal Poly Pomona (MH Fairs)	Just Us 4 Youth (Counseling)
Referrals to Mental Health Services	143	25	343	20	84	N/A
Mental Health Screening	96	N/A	343	N/A	N/A	N/A
Universal, Large Group Services and Supports	N/A	N/A	N/A	N/A	220	N/A
Small Group Mental Health Services	21	25	11	N/A	N/A	N/A
Individual Mental Health Services	56	N/A	30	20	N/A	42

Training and Outreach	TCMHA	Claremont USD (Mentoring)	Claremont USD (Therapists)	School of Arts and Enterprise (Wellness)	Cal Poly Pomona (MH Fairs)	Just Us 4 Youth (Counseling)
Number of events/ activities	15	2	13	8	1	N/A
Number of students	90	N/A	292	N/A	220	N/A
Number of parents/ guardians/ family members	52	6	247	N/A	N/A	N/A
Number of school or district staff	28	143	721	N/A	N/A	N/A
Number of youth-serving organization staff/ other community members	71	N/A	N/A	N/A	N/A	N/A

Tri-City announced the MHSSA Sub-grant Round 2 Request for Applications on February 1, 2024, and hosted a corresponding Bidders' Conference on February 29, 2024. The deadline to apply is March 29, 2024. Sub-grant funds are being made available again for partners to support associated efforts that aim to "provide increased access to mental health services in locations that are easily accessible to students and their families."
Crisis Care Mobile Units The intended use of CCMU funds is to support Tri-City's streamlined Mobile Crisis Care program.

Staff recently submitted two separate requests for additional CCMU funding from the California Department of Health Care Services:

- $500,000 for direct services costs (i.e., staff) submitted in February 2024; and
- Over $1,000,000 for infrastructure submitted in November 2023.

These amounts differ from previously accepted CCMU grant awards:

- $300,000 for infrastructure (modified contract in June 2023) for the purchase of vehicles; and
- $200,000 for planning (contract executed in March 2022).

Staff are awaiting a modified contract from Advocates for Human Potential (AHP)—the third-party administrator.

THERAPEUTIC COMMUNITY GARDEN COMMUNITY OUTREACH

Event: Q-Camp at Cal Poly Pomona

On February 6th, the TCG Team (Cory Campos, Clinical Therapist II, and Kyra Saegusa, Community Garden Gardener) attended Q-Camp for the second year at the invitation of the Cal Poly Pomona Pride Center. Last year, the team reached 40 individuals, and this year they engaged 55 individuals. The team provided herbal sachets and resources for queer youth to access, such as the garden and mental health support services at Tri City. Many of the youth who engaged reported interest in the garden, especially those currently studying agriculture.

Joslyn Center Outreach

On February 7th, Cory Campos, Clinical Therapist II, met with Joslyn Center staff to discuss planning for the next collaboration. Joslyn Center staff expressed interest in a field trip-type collaboration, as their senior participants want to continue exploring their community. They expressed a desire to visit the new Tri City Garden. Cory Campos informed them that the garden is planned to open in May, with more details to come. The collaboration is planned for the Fall, and Cory Campos will meet with Joslyn Center staff in March to further discuss the details.

DayOne Outreach

On February 14th, the TCG Team (Elizabeth Fajardo, Behavioral Health Specialist, and Kyra Saegusa, Community Garden Gardener) met with DayOne staff to brainstorm ideas for the next collaboration. The discussion focused on developing an event for March 28th, tentatively targeting their veteran population and emphasizing the importance of connecting with native plants and community. The goal is to have 10-15 participants engaged in the collaboration. The TCG Team plans to visit their space to assess their planting area and develop a detailed list of materials needed.

Cal Poly Pomona Pride Center

Cory Campos, Clinical Therapist II, and Kyra Saegusa, Community Garden Gardener, met with Josh Salazar at the Cal Poly Pomona Pride Center on February 22nd to discuss his interest in collaborating with TCG on a Pride Senior Hike for graduating queer students. The event is planned to occur on April 27th and is still in development.

Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Monthly Staff Report of Elizabeth Renteria, LCSW Chief Clinical Officer
March 20, 2024

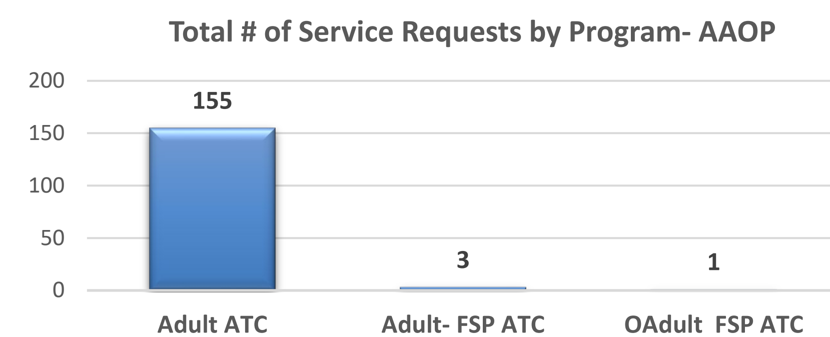
Pomona Valley Pride

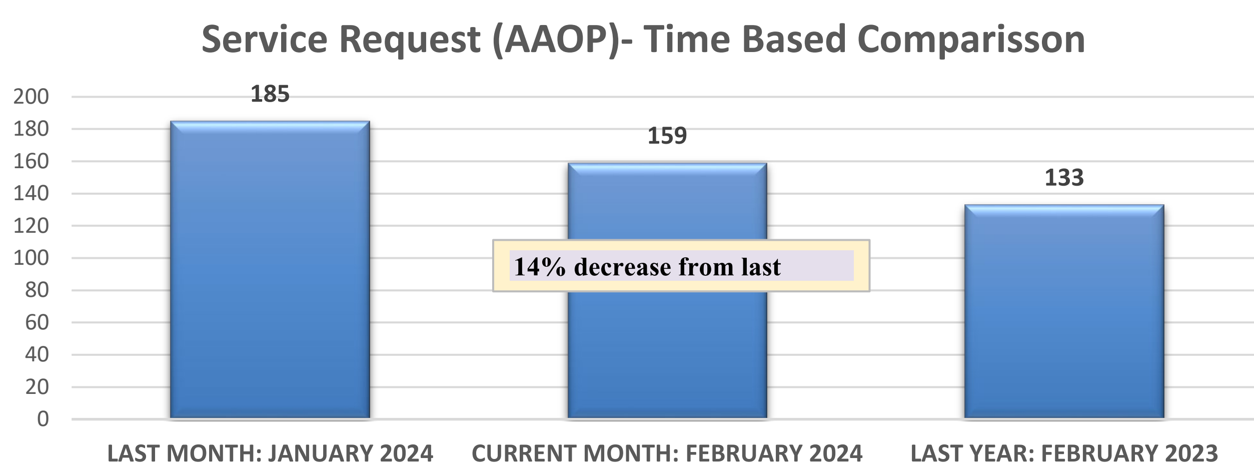
On February 22nd, Cory Campos, Clinical Therapist II, engaged with Pomona Valley Pride in a collaboration event focused on Queer Affirming Care. Cory Campos spoke on access to services at Tri City and encouraged attendees to advocate for themselves when working with medical/mental health professionals to receive appropriate services. Cory Campos provided attendees with TCG flyers for outreach and support services with queer-affirming professionals.

CLINICAL PROGRAMS SUMMARY

Adult Programs

Total Number of completed Adult Service Requests
159



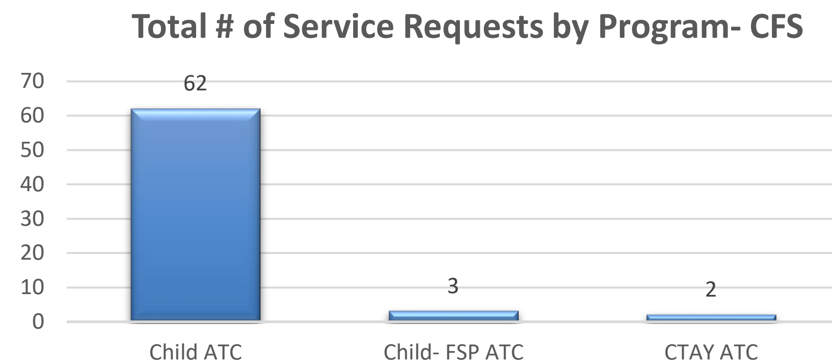


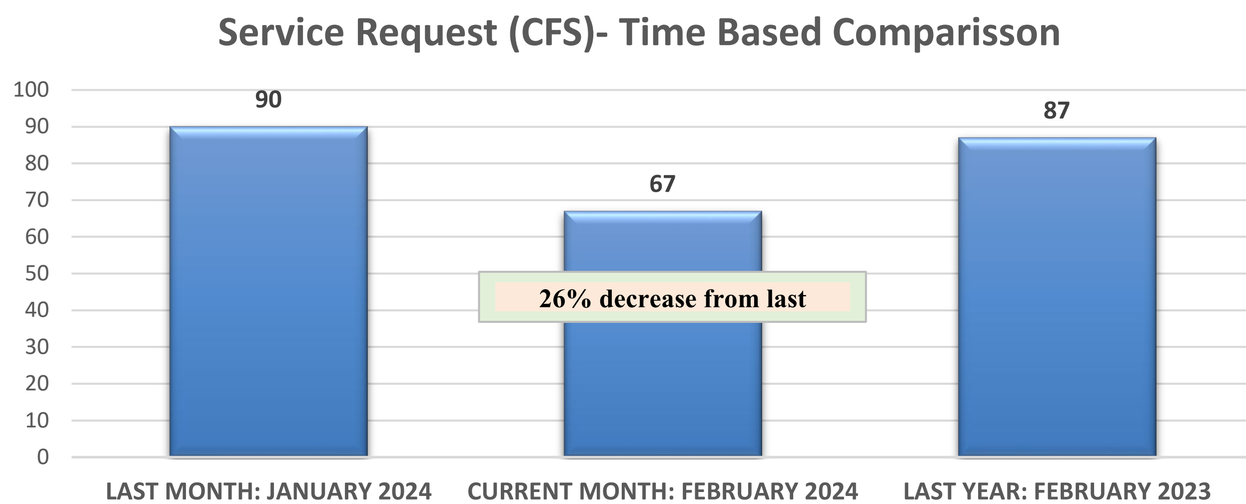
This graph above compares the number of services requests from last month, January 2024 and last year, February 2023 to the current month, February 2024. There was a 14% decrease in the number of service requests from last month and 20% increase in

Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Monthly Staff Report of Elizabeth Renteria, LCSW Chief Clinical Officer
March 20, 2024

<u>Children's Services</u>

Total Number of completed Adult Service Requests
67





This graph above compares the number of services requests from last month, January 2024 and last year, February 2023 to the current month, February 2024. There was a 26% decrease in the number of service requests from last month and 23% decrease in service

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **March 20, 2024**

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**

SERVICES PROVIDED BY TRI-CITY INTENSIVE OUTREACH AND ENGAGEMENT TEAM (IOET), and PSYCHIATRIC TEAMS IN FEBRUARY 2024

<u>IOET Program</u>

- Number of all new outreach= 30
- Number client given intake appointments= 22
- Number of clients opened= 12
- Total number of ALL clients outreached= 128
- Total number of homeless served= 51
- Percentage of clients outreached that are homeless= 40%
- Percentage of clients enrolled this month in formal services that are homeless= 17%

Service area:
- Laverne= 0
- Pomona= 120
- Claremont= 8
- Total= 120

Enrollments:
- FSP (Full-Service Partnership)-Older Adult= 0
- FSP-adult= 6
- FSP-TAY (Transition Age Youth) = 1
- AOP (Adult Outpatient Program) = 3
- COP (Children Outpatient Program) = 2
- FCCS (Field Capable Clinical Services) = 0
- FSP Children= 0

Health Issues:
- Number of initial health assessments completed= 6
- Number of clients linked to PCP appointments with IOET LPT=8
- Number of completed chemical dependency assessments completed= 5

<u>Psychiatric services</u>

- Initial Medication Appointment Authorization- 43
- Total Scheduled for January - 75 (To see a psychiatrist)

Tri-City Mental Health Authority
Monthly Staff Report

DATE: **March 20, 2024**

TO: **Governing Board of Tri-City Mental Health Authority**
Rimmi Hundal, Executive Director

BY: **Dana Barford, Director of MHSA and Ethnic Services**

SUBJECT: **Monthly MHSA and Ethnic Services Report**

COMMUNITY PLANNING PROCESS

On March 8, 2024, the MHSA Annual Update for FY 2024-2025 was posted on Tri-City's website and social media for a 30-day review period ending on April 9, 2024. In addition, paper copies of the Annual Update were distributed throughout the three cities at local venues such as city halls, libraries, and community centers. Here is a direct link to the update.

https://tricitymhs.org/images/documents/MHSA/MHSA%20Annual%20Updates/MHSA_Annual_Update_FY_2024-25_Draft.pdf

The Tri-City Mental Health Commission will host the MHSA Public Hearing on April 9, 2024, where community members are invited to join and review a presentation regarding program updates summarized in the most recent MHSA Annual Update FY 2024-25. Feedback from participants will be reviewed and incorporated into this plan. The Mental Health Commission will be asked to endorse the plan for submission to the Tri-City Governing Board.

PREVENTION AND EARLY INTERVENTION (PEI)

Stigma Reduction

Program staff planned and prepared a weeklong series of in-person and virtual events for Green Ribbon Week. Green Ribbon Week **(March 18-22, 2024)** is the stigma reduction campaign for Tri-City Mental Health's ongoing mental health movement in Pomona, Claremont, and La Verne. #ThriveInMind is this year's Green Ribbon Week theme. Below are the Green Ribbon Week events:

Monday, March 18, 2024
Mental Health 101 Webinar | 4:00 PM–5:00 PM via Zoom
Join us to learn about the spectrum of mental health, the difference between mental health and mental illness and how stigma can impact your wellness.
RSVP Link

Tuesday, March 19, 2024
Paint & Sip at Tea Leaf and Creamery | 4:00 PM–5:30 PM
2145 Foothill Blvd Suite C, La Verne, CA 91750
Sip some boba and join us in a relaxing, loosely guided painting and writing activity to express yourself and explore your wellness. Hang out, make new friends, and check in with your overall wellbeing. Materials and supplies provided.
RSVP Link

Wednesday, March 20, 2024
Amplify: Voices of Mental Health & Recovery
5:30 PM–6:30 PM via Zoom
Join us to listen to members of our Courageous Minds Speakers Bureau. Listen to impactful and empowering stories from community members about their mental health experience and journey.
RSVP Link

Thursday, March 21, 2024
Find Your Calm (Let's Talk Student Wellness Series)
Tri-City Wellness Center | 4:00-6:00pm
1403 N Garey Ave, Pomona, CA 91767
In celebration of Green Ribbon Week, join Tri-City Mental Health's Mental Health Student Services Act (MHSSA) program for their Let's Talk: Student Wellness series. Participate in a fun, family-friendly workshop to learn about mental health basics such as anxiety, depression and self-care. Connect with yourself, your family and nature in a guided mindfulness activity, and explore easy ways to find calm in the midst of everyday stress. Food and refreshments will be provided. This event will be conducted in English and Spanish.
RSVP Link

Friday, March 22, 2024
Brewing Mental Wellness at Nosy Neighbors Coffee & Donuts| 7:00 PM-8:30 PM
133 N Yale Ave, Claremont, CA 91711
Join others at the Nosy Neighbors for a Coffee and Creative Minds Art Workshop! Unleash your creativity as you design your own personalized coffee cup, fostering community connections and engaging in healthy conversations about mental health. Don't miss the chance to sip, create, and connect – reserve your spot for a memorable evening of art and conversation!
RSVP Link

COMMUNITY NAVIGATORS

The Community Navigator Program is currently collaborating with the University of La Verne's Accessibility and Student Outreach and Support Services. The University requested a Community Navigator who could be available to assist the students with resources. Currently, one of the Navigators is stationed at the University once a month to be available to assist students who may need to meet in person. However, students at the University can also contact a Community Navigator through their toll-free number at any time to schedule a virtual appointment if needed. An informational flyer was also distributed to students directly on campus.

Success Story

A Community Navigator received a call from the Los Angeles County Mobile Clinic that was stationed at the showers located at St. Ambrose Church in Claremont. The call was for an unhoused individual who had been unsheltered for the past 2 years. He said that he was now ready to go into a shelter and begin looking for employment to improve his circumstances. The Community Navigator who was assisting him was able to get him into Hope for Home, a local shelter in Pomona, that same day. A week later this same individual was also able to successfully obtain employment and stated that he was happy to be in a shelter and to have a job. His future goals include working towards getting into permanent housing.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **March 20, 2024**

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**

POLICY AND PROCEDURE DEVELOPMENT

Best Practice Division staff are in the process of developing new policies, procedures, and plans in preparation for the submission of the Los Angeles County Department of Public Health, Division of Substance Abuse Prevention and Control (DPH-SAPC) – Drug Medi-Cal Contract Application. Best Practice Division staff are anticipating and tentatively planning an expansion to our quality, data, and compliance oversight activities, should our agency be awarded with the contract.

DATA COLLECTION, ANALYSIS, AND REPORTING

Mental Health Services Act (MHSA) – Annual Data: The QI Team prepared and provided program data reports for MHSA programs. The reports demonstrated performance outcome data for fiscal year 2022/2023. The goal of the performance measure process is to ensure continuous quality improvement across the system of care. Furthermore, MHSA performance outcome data is used to support the MHSA Annual Update reporting requirements.

TRAININGS AND IN-SERVICES

Best Practice Division staff provided a hybrid virtual/in-person training for agency mental health services providers on group treatment protocols in the electronic health record. This training course also included a review of group claiming and documentation requirements.

In addition, agency workforce members with vital privacy and security oversight responsibilities, participated in the Forty-First National HIPAA Summit. The HIPAA summit provides valuable insights related to health information privacy, healthcare cybersecurity, and HIPAA enforcement. The overall objective of HIPAA summit participation is to ensure that essential workforce members are equipped with the most current information to help ensure our agency maintains compliance with HIPAA and healthcare data privacy and security.