



**MINUTES
REGULAR MEETING OF THE
GOVERNING BOARD
JULY 16, 2014 – 4:45 P.M.**

The Governing Board met in a Regular Meeting on Wednesday, July 16, 2014 at 4:48 p.m. in the Administrative Office, 1717 N. Indian Hill, Suite B, Claremont, California.

CALL TO ORDER Chair Lantz called the meeting to order at 4:48 p.m.

ROLL CALL A visual roll call was taken.

PRESENT: Paula Lantz, City of Pomona, Chair
Chuck Leeb, Ph.D., City of Claremont, Vice Chair
Carolyn Cockrell, City of La Verne, Board Member
Joseph M. Lyons, MA, Ph.D., City of Claremont, Board Member
Edina Martinez, Psy.D., City of Pomona, Board Member
John Nolte, City of Pomona, Board Member (arrived at 4:53 pm)
Bill Aguirre, City of La Verne, Alternate Board Member

ABSENT: Robin Carder, City of La Verne, Board Member

STAFF: Jesse H. Duff, Executive Director
Darold Pieper, General Counsel
Margaret Harris, Chief Financial Officer
Toni Navarro, LMFT, Director of Clinical Program Services
Nancy Gill, Chief Operations Officer
Elizabeth Owens, Manager of Best Practices
Rimmi Hundal, MHSA Manager
Diana Acosta, Controller
Donald Pruyn, Housing Project Manager
Mica Olmos, Executive Assistant

CONSENT CALENDAR

Board Member Lyons requested Agenda Item No. 2 to be pulled from the Consent Calendar for discussion. There being no further comments, Board Member Lyons moved, and Vice-Chair Leeb seconded, to approve Items Nos. 1, 3, and 4 under the Consent Calendar. The motion was carried by the following vote: AYES: Alternate Board Member Aguirre; Board Members Cockrell, Lyons, and Martinez; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Members Carder and Nolte.

**1. APPROVAL OF MINUTES FROM THE JUNE 18, 2014 GOVERNING BOARD
REGULAR MEETING**

- 3. APPROVAL OF RESOLUTION NO. 388 ADOPTING REVISIONS TO THE PERSONNEL RULES AND REGULATIONS**
- 4. APPROVAL OF RESOLUTION NO. 389 ADOPTING CLASS SPECIFICATION AND SALARY RANGE FOR THE POSITIONS OF PROGRAM AND OUTCOMES ANALYST SUPERVISOR AND QUALITY IMPROVEMENT SUPERVISOR; AND REVISION TO QUALITY IMPROVEMENT SPECIALIST I, II AND LEAD**

CONSENT CALENDAR ITEM PULLED FOR DISCUSSION

- 2. APPROVAL OF RESOLUTION NO. 387 ESTABLISHING EXECUTIVE MANAGEMENT SALARY & BENEFITS EFFECTIVE JULY 1, 2014**

Executive Director Duff stated that in the year 2004, it was the last time that the benefits of the Executive Management classified employees had been updated. He noted that in October 2013, the Governing Board had approved changes to the benefits for all Tri-City employees according to state and federal law. He stated that there are only three Executive Management classified employees: the Chief Operations Officer, Director of Clinical Program Services, and Chief Financial Officer. He explained that there are other changes that apply only to these three positions such as the life insurance coverage that was increased to \$200,000 from \$100,000, which is consistent with the salary increases since 2004.

At 4:53 p.m., Board Member John Nolte arrived at the meeting.

Executive Director Duff stated that the other change that he was proposing was the severance pay provision due to the uniqueness of these three positions. He pointed out that unlike the rest of all full-time employees that have procedural employment rights, the executive management employees are “at will” employees that basically serve at the pleasure of the Executive Director. He stated that he was proposing a severance package for these three management positions of one (1) month salary pay for each year of service, up to a maximum of six (6) month’s salary, which will provide them an adequate protection and also prevent them from being subjected to intimidation or threats of losing their job; thus, allowing them to offer freely their point of view.

Governing Board Member Lyons stated that given the critical role that the management employees play in the agency, and being “at will” professionals, they require some degree of protection to feel comfortable in expressing their point of view because there are financial consequences that the agency will endure, and also it is not always easy to find a professional equivalent job.

Governing Board Member Martinez inquired if someone that has not been employed for one (1) year will not receive severance pay. Executive Director Duff stated that there will be a probationary period and the severance pay is after one-year of employment.

There being no further discussion, Board Member Lyons moved, and Vice-Chair Leeb seconded, to approve and adopt Resolution No. 387 establishing salary and benefits for the Executive Management. The motion was carried by the following vote: AYES: Alternate Board Member Aguirre; Board Members Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Carder.

NEW BUSINESS

5. APPROVAL OF INDEPENDENT CONTRACTOR AGREEMENT WITH VELOCITY INK, LLC (FORMALLY KIM M. TSO, M.P.P.) TO ASSIST IN DEVELOPMENT AND DOCUMENTATION OF THE MHSA ANNUAL UPDATE, NEW CULTURAL COMPETENCY PLAN, POSSIBLE NEW MHSA PROGRAM UPDATES FOR CSS, PEI, AND OTHER CONSULTING SUPPORT FOR VARIOUS MHSA PLANNING

Chief Financial Officer Harris stated that Kim Tso worked with John Ott and now will be providing services under Velocity Ink, LLC.

Chair Lantz stated that this is changing the vendor name and maintaining the same services.

Governing Board Lyons inquired if under this kind of transition, wherein Tri-City is not changing vendors rather changing the identity of a vendor that it is influx, if Tri-City had an obligation to issue an RFP. Chief Financial Officer Harris replied in the negative, noting that this is only to change the name of the vendor. Governing Board Lyons further inquired at what point an RFP is required. Chief Financial Officer Harris stated that there are no MHSA Program requirements for Professional Services, only for contractors providing services to clients; however, according to California codes, a public agency can establish its own policies. She then stated her opinion that, under normal operations where programs have been already approved and are included in the operating budget, it is not efficient to request a new RFP.

There being no further discussion, Board Member Lyons moved, and Board Member Martinez seconded, to approve the Independent Contractor Agreement with Velocity Ink, LLC (Kim M. Tso) in the amount of \$47,250 for services to be provided through June 30, 2015. The motion was carried by the following vote: AYES: Alternate Board Member Aguirre; Board Members Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Carder.

6. APPROVAL OF RESOLUTION NO. 390 ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2014-2015

Chief Financial Officer Harris stated that the Assumptions for the proposed Operating Budget for the Fiscal Year 2014-15 explains the consolidated funding that includes two components: the Tri-City Outpatients Clinic funded through realignment and Medi-Cal reimbursement; and the MSHA programs funded through MHSA and Medi-Cal cost reimbursement. She then said that the proposed budget is being presented in the same format as previous years wherein the Clinic Operations and the MSHA Operations are listed separately. She indicated that the total operating budget for Fiscal Year 2014-15 will have an increase in the Net Position (Income) of approximately \$869,000 and a projected cash flow increase of approximately \$500,000, noting that cash flow is very difficult to project because it depends on outside variables that Tri-City does not have any control, such as Medi-Cal reimbursements that are based on the number of clients that Tri-City will serve. She explained that there are elements of the budget that staff cannot project because it is very difficult to determine how many new clients will qualify under the expansion of Medi-cal since Tri-City does not have any history; however, staff is projecting to be between 100,000 to 150,000.

Discussion ensued about how new clients, that now qualify under Expanded Medi-Cal, are brought into the system of mental health care.

Chief Financial Officer Harris then stated that in relationship to the projected higher revenues for Expanded Medi-Cal, there are a lot of vacant positions and this budget assumes that those positions will be filled; therefore, the revenue is based through billing on productivity levels of each clinician. In addition, the salary allocation will increase due to filling the vacant positions and the creation of new positions to accommodate the increased number of clients under Expanded Medi-Cal and to handle the new FSP clients that were previously non-funded that are being transferred to Tri-City from its FSP sub-contractor.

Discussion ensued regarding services provided to indigent people, or non-funded FSP, in the Tri-City area and the money allocated to provide these services; about what's in the future in early diagnosis for younger individuals which falls to the private sector to perform early screening; and the criteria to get into a FSP.

Chief Financial Officer Harris continued with the budget discussion and stated that the facilities rental cost has increased due to new office expansion; that there is an increase in the budgeted cost for conferences, seminars, and meetings due to continuous new legislation and regulations that require a lot of training of staff to be up-to-date; that there is an increase in security cost due to adding a new security guard at the Royalty offices; that there is a decrease on projected flex funds (non-reimbursable Medi-Cal funds), noting that based on combination of December and May figures, flex funds are not being used as anticipated and the budget for flex funds will continue to decrease and flipping those monies to services; that there is a decrease of \$472,000 under the subcontractor budget line item which will be transferred to the salary budget since Tri-City will now be providing the services that subcontractors used to provide; and that the Innovations Plan has three programs that are waiting for state approval, therefore, no funding will be spent until its approval which is expected by June 30th.

Discussion ensued regarding the State's oversight of MHSA Plans.

Governing Board Member Lyons inquired about the loss reported under the operations line item. Chief Financial Officer Harris stated that there is no loss being reported and explained that the figure means that in this fiscal year there is a higher projected increase to the net position than last fiscal year. She noted that funding was recognized into revenues this current Fiscal Year 2013-14 what was approved to be expended next Fiscal Year 2014-15; therefore, it is the timing of the expenditures which are not reported until they are spent and indicated that, in accordance with the Accounting Rules, MSHA funds that have been approved have to be recognized as revenue in the same year whether you will use it in that year or not. Thus, the expenditures will be higher this fiscal year than the recorded revenue.

Governing Board Member Lyons inquired if Tri-City will be able to recover costs for MHSA services from Medi-Cal. Chief Financial Officer Harris stated that Tri-City only bills FSP services to Medi-Cal. All of other MHSA services, with the exception of CET, are supported by MHSA funds. Therefore, the more FSP services Tri-City provides, then it can bill Medi-Cal for those services, noting that under expanded Medi-Cal Tri-City is expecting to provide more FSP services.

Discussion ensued about MHSA regulations regarding funds as a local match and Tri-City's capacity for providing services as permitted by funding limits.

There being no further discussion, Vice-Chair Leeb moved, and Alternate Board Member Aguirre seconded, to approve Resolution No. 390 adopting the Operating Budget for Fiscal Year 2014-15. The motion was carried by the following vote: AYES: Alternate Board Member Aguirre; Board Members Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Carder.

MONTHLY STAFF REPORTS

7. EXECUTIVE DIRECTOR REPORT

Housing Project Manager Pruyne reported that the Cedar Springs Project had been awarded the Federal Tax Credit allocation; that staff is going through the process of entering into an MOU with all parties involved to establish their obligations and responsibilities; and that the construction of the project is expected to begin in January of 2015. He then talked about the Park Avenue Apartments Project stating that the tenants' relocation process took place on July 7th; and that the work commenced on July 8th which will be completed by October 1st. He also stated that the West Holt Apartments Project by the Related Company has submitted its Federal Tax Credit Application and will find out in August if it was successful; and that is moving forward with the relocation of the historical house built in 1883 located on the property. Regarding the East Holt Family Apartments by Clifford Beers Company, it has the land use entitlements and will submit its funding application as a standalone project. He explained that in order to maximize its opportunity for approval, the Tri-City MSHA housing units were increased from 16 to 25; that 10 of the 25 units will be subsidized by the LA County of Health Services; that the parties involved are in the process of developing new MOU's due to the change as a standalone project; and that the MOU's are expected to be completed in September. Lastly, he talked about the various options for the development of the Garey Avenue site that Tri-City staff is discussing with Clifford Beers.

Discussion ensued regarding the MHSA requirements and restrictions for the use of allocated MHSA funds for housing projects.

Executive Director Duff reported that Tri-City staff will be meeting with the LA Care Managed Care Health Plan Administrators to discuss the responsibilities and work out details regarding the services and referral of those clients at Tri-City who have present care under LA Care Health Plan. He noted that a representative from LACDMH will also attend the meeting. Regarding the Executive Director recruitment, he indicated that he will be meeting with Dr. Bill Mathis next week to finalize the schedule for candidate interviews.

8. CHIEF FINANCIAL OFFICER REPORT

There was no comment.

9. DIRECTOR OF CLINICAL PROGRAM SERVICES REPORT

There was no comment.

10. CHIEF OPERATIONS OFFICER REPORT

There was no comment.

11. MANAGER OF BEST PRACTICES REPORT

There was no comment.

12. MHSA MANAGER REPORT

There was no comment.

There being no further comments, Board Member Lyons moved, and Board Member Nolte seconded, to receive and file the month of July staff reports. The motion was carried by the following vote: AYES: Alternate Board Member Aguirre; Board Members Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Carder.

GOVERNING BOARD COMMENTS

Vice Chair Leeb stated staff did a great job with the Budget. Chief Financial Officer Harris reported that new Controller Diana Acosta had assisted with the budget preparation.

PUBLIC COMMENT

There was no comment.

ADJOURNMENT

At 6:04 p.m., on consensus of the Governing Board its meeting of July 16, 2014 was adjourned. The Governing Board will meet next on **Wednesday, September 17, 2014 at 4:45 p.m.** in the Administration Building, 1717 North Indian Hill Boulevard #B, Claremont, California.



Micaela P. Olmos, Executive Assistant