www.tricitymhs.org

Tri-City Mental Health Authority
Administration Office
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Founded by Pomona, Claremont, and La Verne in 1960

TRI·CITY Mental Health

AGENDA

GOVERNING BOARD / MENTAL HEALTH COMMISSION REGULAR JOINT MEETING

WEDNESDAY, DECEMBER 15, 2021
AT 5:00 P.M.

MEETING LOCATION

There will be no in-person public meeting location. On September 16, 2021, the Legislature amended the Brown Act provisions regarding teleconferencing through Assembly Bill No. 361, codified under Government Code § 54953. Accordingly, the Governing Board will hold this public meeting via teleconference and the public seeking to observe and to address the Governing Board may participate telephonically or otherwise electronically.

To join the meeting clink on the following link:

https://tricitymhs-org.zoom.us/j/95438855873?pwd=LzVPa1NUSGp5bDFwM0VrWnhpbzVLQT09

Passcode: mduX!&B8

Or Telephone: 1-213-338-8477
Webinar ID: 954 3885 5873
Passcode: 57071178

Public Participation. Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board and/or Mental Health Commission 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 or Mental Health Commission. Therefore, members of the public are invited to speak on any matter on or off the agenda.

The public can make a comment during the meeting by using the 'raised hand' feature, or by calling in, if they wish to address a particular agenda item or to make a general comment on a matter within the subject matter jurisdiction of the Governing Board. The Chair will call on the member of the public at the appropriate time and allow the person to provide live comment. The public can also submit a comment by writing an email to molmos@tricitymhs.org. All email messages received by 3:30 p.m. will be shared with the Governing Board before the meeting. 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.

*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 Tri-City Governing Board and Mental Health Commission less than 72 hours prior to this meeting, are available for public inspection at **http://www.tricitymhs.org***

CALL TO ORDER

Chair Carder calls the meeting to Order.

GOVERNING BOARD ROLL CALL

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

MENTAL HEALTH COMMISSION ROLL CALL

GB Liaison Carolyn Cockrell; Commissioners Clarence D. Cernal, Isabella A. Chavez, Nichole Perry, Joan M. Reyes, Twila L. Stephens, Alfonso Villanueva, Toni L Watson, Commissioner David Weldon; Vice-Chair Wray Ryback; and Chair Anne Henderson.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting on the Tri-City's website: http://www.tricitymhs.org

PRESENTATION

1. AN AWARD OF RECOGNITION WILL BE PRESENTED TO ANTONETTE NAVARRO, FOR HER 13 YEARS OF LEADERSHIP AND DEDICATED SERVICE TO TRI-CITY SINCE 2008

MENTAL HEALTH COMMISSION

2. APPROVAL OF MINUTES – MENTAL HEALTH COMMISSION REGULAR MEETING OF NOVEMBER 9, 2021

Recommendation: "A motion to approve the Mental Health Commission Minutes of its Regular Meeting of November 9, 20201."

3. "RECOVERY MOMENTS" STORY - Staff will introduce Tri-City clients from Clinical and MHSA programs, respectively, to talk about their journey of healing and recovery.

CONSENT CALENDAR – GOVERNING BOARD

4. CONSIDERATION OF RESOLUTION NO. 625 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Recommendation: "A motion to adopt Resolution No. 625 finding and declaring that it unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953."

5. APPROVAL OF MINUTES FROM THE NOVEMBER 17, 2021 GOVERNING BOARD REGULAR MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Regular Meeting of November 17, 2021."

6. CONSIDERATION OF RESOLUTION NO. 626 OF THE GOVERNING BOARD OF TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING ITS 2022 MEETING SCHEDULE

Recommendation: "A motion to approve Resolution No. 626, adopting the Governing Board & MHC 2022 Meeting Schedule."

7. CONSIDERATION OF RESOLUTION NO. 627 AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT ON BEHALF OF TRI-CITY A COMPETITIVE FUNDS ROUND 4 APPLICATION TO PARTICIPATE IN THE NO PLACE LIKE HOME (NPLH) PROGRAM

Recommendation: "A motion to authorize Tri-City to partner with the Cesar Chavez Foundation for 8 units of permanent supportive housing in the West End Village Housing Project; and adopt Resolution No. 627 authorizing the Executive Director to file on behalf of Tri-City a NPLH Competitive Allocation Round 4 Application for an amount not to exceed $2,455,488."

8. CONSIDERATION OF RESOLUTION NO. 628 ADOPTING CLASSIFICATION AND SALARY SCHEDULE TO COMPLY WITH THE NEW STATE MINIMUM WAGE REQUIREMENTS EFFECTIVE JANUARY 1, 2022

Recommendation: "A motion to adopt Resolution No. 628 establishing a revised Classification and Salary Schedule for Tri-City Mental Health Authority effective January 1, 2022 to comply with the new State Minimum Wage requirements.

9. CONSIDERATION OF RESOLUTION NO. 629 ESTABLISHING CLIENT AND PARTICIPANT SERVICES AND SUPPORTS FUNDS: REQUESTS, APPROVALS, AND DISBURSEMENTS POLICY AND PROCEDURE NO. VII.9, EFFECTIVE DECEMBER 15, 2021

Recommendation: "A motion to adopt Resolution No. 629 establishing Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, Effective December 15, 2021."

NEW BUSINESS - GOVERNING BOARD

10. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2021

Recommendation: "A motion to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2021."

11. TCMHA EXECUTIVE DIRECTOR RECRUITMENT UPDATE AND TIMELINE

Recommendation: "A motion to acquire the services of Wendi Brown, of Wendi Brown Creative Partners, to conduct the Executive Director recruitment."

MONTHLY STAFF REPORTS

12. JESSE DUFF, INTERIM EXECUTIVE DIRECTOR REPORT

13. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

14. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

15. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

16. RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

17. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

18. KEN RIOMALES, CHIEF INFORMATION OFFICER REPORT

Recommendation: "A motion to receive and file the month of December staff reports."

GOVERNING BOARD / MENTAL HEALTH COMMISSION COMMENTS

Members of the Governing Board or Mental Health Commission 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 or Mental Health Commission Agenda.

PUBLIC COMMENT

The public can make a comment during the open meeting by using the 'raised hand' feature; or by calling-in. The public can also make a comment before the meeting by writing an email to molmos@tricitymhs.org. All emails received by 3:30 p.m. will be shared with the Governing Board before the meeting. 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.

ADJOURNMENT

The next Regular Meeting of the **Mental Health Commission** will be held on **Tuesday, January 11, 2022 at 3:30 p.m.** via teleconference due to the COVID-19 pandemic, pursuant to Government Code § 54953.

The next Regular Meeting of the **Governing Board** will be held on **Wednesday, January 19, 2022 at 5:00 p.m.**, via teleconference due to the COVID-19 pandemic, pursuant to Government Code § 54953.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK

1. PRESENTATION - AN AWARD OF RECOGNITION WILL BE PRESENTED TO ANTONETTE NAVARRO, FOR HER 13 YEARS OF LEADERSHIP AND DEDICATED SERVICE TO TRI-CITY SINCE 2008

"The Governing Board of Tri-City Mental Health Authority
wish to express their appreciation to Antonette (Toni) Navarro, Executive Director
for her 13 years of dedicated service to the residents of the Cities of
Pomona, Claremont, and La Verne
August 18, 2008 – December 7, 202"

MINUTES
REGULAR MEETING OF THE MENTAL HEALTH COMMISSION
NOVEMBER 9, 2021 – 3:30 P.M.

The Mental Health Commission met in a Regular Meeting on Tuesday, November 9, 2021 at 3:34 p.m. via teleconference pursuant to Government Code § 54953, which allows the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Henderson called the meeting to order at 3:34 p.m.

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

PRESENT:
Anne Henderson, Chair
Wray Ryback, Vice-Chair
Carolyn Cockrell, GB Member Liaison
Clarence D. Cernal (joined at 3:42 p.m.)
Isabella A. Chavez
Nichole Perry
Joan M. Reyes
Toni L. Watson
David J. Weldon

ABSENT:
Twila L. Stephens
Alfonso "Al" Villanueva

STAFF:
Toni Navarro, Executive Director
Liz Renteria, Chief Clinical Officer
Rimmi Hundal, Director of MHSA and Ethnic Services
Mica Olmos, JPA Administrator/Clerk
Amanda Colt, MHSA Program Coordinator-INN,
Daisy Martinez, Community Capacity Organizer
Richard Franco, Community Navigator
Bruce Truong, Community Navigator,
Clanisha Johnson, Clinical Wellness Advocate,
Naomi Hall, Clinical Wellness Advocate III

REGULAR BUSINESS

I. ADMINISTER AN OATH OR AFFIRMATION OF ALLEGIANCE TO NEW MEMBERS OF THE MENTAL HEALTH COMMISSION CLARENCE D. CERNAL, ISABELLA A. CHAVEZ, AND NICHOLE PERRY

JPA Administrator/Clerk Olmos administered an Oath of Allegiance to new Commissioners Isabella A. Chavez and Nichole Perry.

Discussion ensued regarding what would be role of the Commissioners as disaster workers, noting that Tri-City's Emergency Action Plan will be distributed to the Commission when finalized.

I. APPROVAL TO IMPLEMENT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER AB 361 (GOVERNMENT CODE SECTION 54953)

Commissioner Watson moved, and Commissioner Reyes seconded, asking staff to perform all actions necessary to implement the Brown Act provisions regarding teleconferencing in compliance with Government Code § 54953.

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

There being no comment, the motion was carried by the following vote: AYES: Board Member Liaison Cockrell; Commissioners Cernal, Chavez, Perry, Reyes, Watson, and Weldon; Vice-Chair Ryback; and Chair Henderson. NOES: None. ABSTAIN: None. ABSENT: Commissioners Stephens and Villanueva.

At 3:42 p.m., Commissioner Clarence D. Cernal joined the virtual meeting, and JPA Administrator/Clerk Olmos administered his Oath of Allegiance at the request of Chair Henderson.

II. APPROVAL OF MINUTES FROM THE SEPTEMBER 14, 2021 MENTAL HEALTH COMMISSION REGULAR MEETING

Vice-Chair Ryback moved, and Commissioner Reyes seconded, to approve the Minutes of the September 14, 2021 Mental Health Commission Regular Meeting.

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

There being no comment, the motion was carried by the following vote: AYES: Board Member Liaison Cockrell; Commissioners Cernal, Chavez, Perry, Reyes, Watson, and Weldon; Vice-Chair Ryback; and Chair Henderson. NOES: None. ABSTAIN: None. ABSENT: Commissioners Stephens and Villanueva.

III. APPROVAL TO RECOMMEND TO THE GOVERNING BOARD TO ADOPT THE AMENDMENT TO MHSA ANNUAL UPDATE FOR FISCAL YEAR 2021-22

Director of MHSA and Ethnic Services Hundal reported that the Amendment to the MHSA Annual Update for Fiscal Year 2021-22 was posted for a 30-day public comment period, beginning Friday, August 13th, 2021 until September 14th, 2021, noting that no comment was received. She explained that the Community Supports and Services Plan receives 76% of MHSA funding which is the largest portion; and that it allows the transfer of funds to prudent reserves, Capital Facilities and Technology Needs (CFTN), and Workforce Education and Training (WET) programs; and that this creates the sustainability of the CFTN and WET plans since each received only a one-time allocation at the time of approval. She stated that staff was recommending that the Mental Health Commission approve recommending to the Governing Board to adopt the Amendment of to the MHSA Annual Update for Fiscal Year 2021-22, transferring funds in the amount of $1.3 million, noting that $400,000 will be allocated to CFTN and $900,000 allocated to WET as the stakeholders recommended.

Executive Director Navarro explained how these funds will be used which includes building out office space under the CFTN Plan and the $900,000 under WET Plan will include the ability for Tri-City to create an in-house loan forgiveness program for retention and recruitment enhancement tool.

Director of MHSA and Ethnic Services Hundal added that under the WET Plan, also two positions will be created, to work in increase our social media and website presence; and the second position will be of a Diversity Equity and Inclusion (DEI) Coordinator, who will continue the work that we have started.

Discussion ensued regarding how the two positions created were going to be funded moving forward, which will be accomplished by asking the stakeholders every year to allocate any excess of funds from the CSS Plan to the WET Plan to fund this ongoing to make sure that our behavioral health workforce remains robust and that the infrastructure solid; that this funding will be sufficient for two years; that the loan forgiveness program was going to be modeled after the state program; that no CSS programing will be affected since these are excess funding; and that they transfer will also prevent from having reversion of funds to the State.

There being no further discussion, Commissioner Watson moved, and Commissioner Reyes seconded, to approve recommending to the Governing Board to approve the Amendment to the MHSA Annual Update For Fiscal Year 2021-22.

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

There being no further comment, the motion was carried by the following vote: AYES: Board Member Liaison Cockrell; Commissioners Cernal, Chavez, Perry, Reyes, Watson, and Weldon; Vice-Chair Ryback; and Chair Henderson. NOES: None. ABSTAIN: None. ABSENT: Commissioners Stephens and Villanueva.

Chief Clinical Officer Renteria stated that it is a tough recruiting environment right now for behavioral health staff across the nation, but particularly in California; therefore, she expressed appreciation for the Mental Health Commission support of this endeavor, noting that this will serve to get some more people interested in the good work that we do at Tri-City and retain the staff that we already have.

IV. PRESENTATION - TRI-CITY'S CULTURAL INCLUSION AND DIVERSITY COUNCIL (CIDC)

Director of MHSA and Ethnic Services Hundal provided a history and the purpose of the CIDC which is to help reduce mental health disparities and support the development of appropriate services for the community; that it is an advisory body to the Mental Health Commission and the Executive Team; and that it is made up from both staff and community members.

Clanisha Johnson, Clinical Wellness Advocate, Chair to the African American Family Wellness Advisory Council (AAFWAC), stated that Naomi Hall is the Co-Chair of AAFWAC. She then talk about what is mental health in black America; and shared information and statistics from NAMI and the American Psychiatric Association. She discuss that being treated or perceived as less than because of the color of your skin can be stressful and even traumatizing; and members of the black community face structural challenges, assessing the care and treatment they need. She also talked about resources and support that is currently available.

Daisy Martinez, Community Capacity Organizer, and Co-Chair of ¡Adelante! Latino and Hispanic Wellness Advisory Council; provided a presentation about the Hispanic, Latino community, noting that they face a lot of unique challenges that can make accessing mental health services or care a little bit more difficult; and provided statistics about common mental disorders and treatment each year which show that only 5.5% of psychologists can provide services in Spanish.

Richard Franco, Community Navigator, and Co-Chair of ¡Adelante! talked about the barriers that keep the Hispanic and Latino communities from accessing and receiving the support that they need, which is stigma access to care, immigration status, machismo, lack of insurance, and misdiagnosis; and indicated when and how the council meets.

Vice-Chair Ryback inquired how much community involvement was in the side of the advisory councils. Community Navigator Franco replied that there is a good amount, and pointed out that ¡Adelante! Just had its first webinar run by Dr. James Garcia, who is a professor the University of La Verne who discussed the term Latinx, where it comes from, why it's necessary, why it's inclusive; and also discussed other community members from LACDMH and CalPoly Pomona, and residents from the three cities.

Director of MHSA and Ethnic Services Hundal added that the major goal is to understand the culture and then to be able to provide culturally relevant services and that's what we strive to do.

Bruce Truong, Community Navigator, Asian American Pacific Islanders (AAPI) Wellness Advisory Council, stated that the common theme that we have been working on the past few months is the approach to mental health with our service providers and our community members in AAPI. He then discuss that learning of the things that we feel that is fundamental to providing services to our AAPI community members, such empathy, and discussed some of the cultural views from various members from China, Japan, South Korea, Vietnam, Philipines, India, Cambodia regarding what mental health is to them.

Director of MHSA and Ethnic Services Hundal stated that we are here to believe in the client; help them move forward in their treatment process; and to educate our community members as well as our clinicians, that we are not here to judge anyone nor to challenge somebody's beliefs.

Executive Director Navarro added that epigenetic research shows that it is post-traumatic slave syndrome, the trauma they experienced as a result of structural racism, noting that we need to help our staff to understand that generational trauma is not a result of something inherent in that culture or the values of that community, but rather there's a system that has imposed upon them that then creates that imbalance.

Amanda Colt, MHSA Program Coordinator-INN, and Chair of the RAINBOW-Resiliency Allies Identity Nurturing Building equity Open for all Wellness- (LGBTQ+) Wellness Advisory Council, stated that this council is little bit different than the other councils because they talk about sexual orientation or how you identify yourself, rather than focusing on ethnicity. She explained that they do not have cultural identifiers when it comes to mental health, rather they focus on how does mental health actually affect LGBTQ individuals as a result of all the bullying, harassment, rejection, hate speech or violence that they experience; and discussed their coping mechanism such as substance abuse because they might not have a support system. She then talked about TAY advisory council, our newest advisory council here at Tri-City, will serve to bring together that Transition Aged Youth of 16 to 20 five-year olds within Pomona, Claremont, and La Verne to to talk about how we can improve and just how we can better serve that community.

Director of MHSA and Ethnic Services Hundal expressed gratitude and privilege to work with these talented individuals, stating that it is her honor to be a part of their team.

Vice-Chair Ryback thanked all presenters for a job well done and for the great information provided. She then stated that she was interested in the BEAM (Black, Emotional, and Mental Health) resources for a clinical setting or a primary urgent care setting, and inquired if this is something that we use at Tri-City. Naomi Hall, Clinical Wellness Advocate III, and Co-Chair to AAFWAC, replied in the negative and stated that she discovered it when she was researching to expand ways to help the African-American communities at Tri-City, and she believes it is also used in clinical settings.

Chief Clinical Officer Renteria indicated that is really more than just a program, that it is a design from inception from the way the building is configured all the way down to the specific treatment that is offered. She thanked Nami for her preliminary research, noting that it is a goal for us to get more into a culture specific care and the intersectionality because there are members of multiple communities; that it makes sense because it would be addressing the needs of everyone that walks through the door.

Executive Director Navarro commented that Naomi is one step ahead of us because this is exactly what the advisory councils will be for, which is to present quarterly about what are we talking about? What we are we learning in our communities, and what would we bring to the chief clinical officer and her team in terms of building more culturally responsive care models that we can adapt to bring forward in the care of our diverse population here at Tri-City. She then thanked the Commission for approving to recommend to the governing board the approval of the MHSA update Amendment because the next step is to hire a full-time person who will take it to the next level and connect the advisory councils, ethnic services, and clinical service teams.

Commissioner Reyes inquired about the statues of the Native American council and of the Older population council. Director of MHSA and Ethnic Services Hundal replied that have not formed the councils but we are educating our staff on how to work with the native American population; and that when the new DEI Coordinator will assist forming the councils.

Commissioner Cernal commented that there were amazing presentations and inquired if there was a general calendar of the meetings which can be shared with the Commission; and how are we spreading the word to our community about the councils. Director of MHSA and Ethnic Services Hundal replied that she will add the meeting times to the existing CDC flyer and distribute to the Commission and encouraged the Commission to spread the word by inviting people to come to those meetings.

V. EXECUTIVE DIRECTOR REPORT

Chief Clinical Officer Renteria reported that Tri-City was awarded some planning money for enhancing mobile crisis services for youth in our community, and described the goals and objectives of the process. She also reported that there is an exciting opportunity for funding that will be made available to the mental health services for students act, which is also a tiered approach to providing services in the community, and Tri-City will be applying for additional funding through that act, which would enable us to work closely with our school district partners to provide services to under resourced families and children that need services.

Discussion ensued regarding the funding sources and about how the services will look like to prevent law enforcement involvement.

Executive Director Navarro announced that this was her last Tri-City Mental Health Commission meeting as she had accepted the position of Director of County Behavioral Health in Santa Barbara County; and that her last day with Tri-City is December 8th. She said that she was born and raised there, as were her parents, her grandparents and her entire family is there. She shared that because of her mother's health failing, she applied to get a job closer to her. She also stated that being Executive Director for Tri-City, is literally the best job in county behavioral health in California because of the amazing team, amazing programs, and amazingly connected and responsive mental health commission and governing board. She indicated she will miss everyone tremendously and thanked the Mental Health Commission for their leadership and their governance.

Vice-Chair Ryback congratulated Executive Director Navarro, wished her good luck, and stated that it is great that she will be back with her family.

Commissioner Reyes told Executive Director Navarro that she will be missed.

Chair Henderson thanked Executive Director Navarro for everything that she has done for Tri-City and for the community over the years.

Commissioner Watson thanked her thanked Executive Director Navarro

COMMISSION ITEMS AND REPORTS

Vice-Chair Ryback commented that she senses that there is not much community participation in our meetings lately, and inquired if there was something that we could do to encourage more participation from our community.

Executive Director Navarro stated that staff had been discussing that there is a lot of zoom fatigue, since there has been also a decline in stakeholder participation. She pointed out that Directors are currently doing also the job of managers and supervisors, however, when there are new hires community participation is a priority.

Vice-Chair Ryback said thank you for that, expressing appreciation for any work that we can do moving forward. She then welcomed the new Commissioners and suggested that during the next meeting, all Commissioners introduce themselves so that existing Commissioners can learn about the new members, and in turn, new members could just get a sense of who they are as well.

Commissioner Reyes, inquired if the Commission meetings can be taken “on the road” and be held in other venues throughout the three cities to encourage public participation. JPA Administrator/Clerk replied that we are required to schedule annually the date, time, and place where the meetings are held, which are set by January.

Chair Henderson stated that she has been involved with Pomona's promise and appreciates that the work that Tri-City has done within Pomona's promise on the health access group, noting that there is a lot of work going into the effort for all Children Thrive and stated that she hopes Tri-City continues providing support.

Executive Director Navarro indicated that she discussed with various Directors around which meetings they are going to take, and definitely Tri-City will continue to stay connected to promote Pomona's Promise and the health access committee.

Commissioner Watson reported that today she facilitated the creativity connections at the Wellness Center, which was the first time in person, and expressed appreciation for staff screening for temperature, noting that she is glad to be back in person after 20 months.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 5:17 p.m., on consensus of the Mental Health Commission its Regular Meeting of November 9, 2021 was adjourned. The Mental Health Commission will meet next in a Regular Joint Meeting with the Governing Board to be held on Wednesday, December 15, 2021 at 5:00 p.m**.** via teleconference due to the COVID-19 pandemic.

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Micaela P. Olmos, JPA Administrator/Clerk

3. "RECOVERY MOMENTS" STORY

Staff will introduce Tri-City clients from Clinical and MHSA programs, respectively, to talk about their journey of healing and recovery.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 15, 2021

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse H. Duff, Interim Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Consideration of Resolution No. 625, Authorizing the Implementation of Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953 (AB 361)

Summary:

On September 16, 2021, the Legislature amended the Brown Act waiving certain provisions regarding teleconferencing through Assembly Bill No. 361 (AB 361.) Accordingly, public agencies are authorized to hold its public meetings via teleconference under a proclaimed state of emergency which makes it unsafe to meet in person, provided that it allows the public, seeking to observe and to address the legislative body, to participate in real time telephonically or an internet-based service option during a virtual meeting; and the legislative body makes additional findings every 30 days in order to continue such teleconferencing pursuant to AB 361.

Background:

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings; and allows for legislative bodies to hold meetings by teleconference, but imposes the following requirements for doing so:

1. The public agency must give notice of each teleconference location from which a member will be participating in a public meeting.
2. Each teleconference location must be specifically identified in the meeting notice and agenda, including full address and room number.
3. Each teleconference location must be accessible to the public.
4. Members of the public must be able to address the body at each teleconference location.

On March 17, 2020, Governor Newsom issued Executive Order No. N-29-20, suspending the Brown Act's teleconferencing requirements (enumerated above) in order to address the need for public meetings during the present public health emergency (COVID-19) and allow legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21 continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021.

On September 16, 2021, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361), codified under Government Code § 54953, waiving certain provisions of the Brown Act in order to allow local agencies to continue to meet using teleconferencing without complying with the regular teleconferencing requirements of the Brown Act when a legislative body holds a meeting during a proclaimed state of emergency and it unsafe to meet in person.

In addition, Government Code section 54953 adds new procedures and clarifies the requirements for conducting remote (virtual) meetings, including the following:

- <u>Public Comment Opportunities in Real Time</u> – a legislative body that meets remotely pursuant to AB 361, must allow members of the public to access the meeting via a call-in option or an internet-based service option, and the agenda for the remote meeting must provide an opportunity for members of the public to directly address the body in real time. A legislative body cannot require public comments to be submitted in advance of the meeting.

- <u>No Action During Disruptions</u> – in the event of a disruption that prevents the local agency from broadcasting the remote meeting, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, AB 361 prohibits the legislative body from taking any further action on items appearing on the meeting agenda until public access is restored.

- <u>Periodic Findings</u> – Government Code § 54953(e)(B) requires the legislative body to hold a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

The Governing Board must make these findings no later than 30 days after the first teleconferenced meeting is held after September 30, 2021, and must also make these findings every 30 days thereafter, in order to continue to allow teleconference accessibility for conducting public meetings (Government Code § 54953(e)(3).) AB 361 will sunset on January 1, 2024.

Tri-City Mental Health Authority (TCMHA) has already implemented the above stated requirements for conducting public meetings and is in compliance with AB 361, thus there will be no change of the currently established procedures. Teleconference accessibility is available via call-in option or through via RingCentral Webinars platform (internet-based service option) and both the telephone number and meeting link are listed on the published agenda for each meeting as well as on TCMHA's website.

The JPA Administrator/Clerk monitors public comment submitted via email correspondence (as published on the agenda); and designated staff monitors comment via teleconference throughout each public meeting and provides access for public comment opportunities in real time both verbally (via call-in) and in writing (in the 'chat' option.)

Funding:

None required.

Recommendation:

Staff recommends that the Governing Board approve and adopt Resolution No. 625 finding and declaring that it unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953.

Attachments:

Attachment 4-A: Resolution No. 625 - DRAFT

RESOLUTION NO. 625

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO IMPLEMENT TELECONFERENCING REQUIREMENTS FOR CONDUCTING PUBLIC MEETINGS DURING A PROCLAIMED STATE OF EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 54953 (AB 361)

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

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

A. Tri-City Mental Health Authority ("Authority" or "TCMHA") wishes to continue using teleconferencing to conduct public meetings as allowed under Government Code § 54953, since a state of emergency as a result of the threat of COVID-19 still exists and continues to impact the ability of members of the Governing Board, Mental Health Commission, Tri-City staff, and public to meet safely in person.

B. The State of California and the Authority continue to follow safety measures in response to COVID-19 as ordered or recommended by the Centers for Disease Control and Prevention (CDC), California Department of Public Health (DPH), California Occupational Safety and Health Administration (Cal/OSHA), and/or County of Los Angeles, as applicable, including facial coverings when required and social distancing.

C. The Authority will make these findings every 30 days in order to continue such teleconferencing pursuant to Government Code § 54953 (AB 361.)

D. The Interim Executive Director or his designee, are authorized to continue utilizing teleconferencing accessibility to conduct public meetings, and implement teleconference requirements in compliance with AB 361 (Stats. 2021, ch. 165) and Government Code § 54953 (as amended), effective immediately.

2. Action

The Governing Board finds and declares that it unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953.

[Continued on page 2]

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 15, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

By:______________________________

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By:______________________________

MINUTES

REGULAR MEETING OF THE GOVERNING BOARD
NOVEMBER 17, 2021 – 5:00 P.M.

The Governing Board held on Wednesday, November 17, 2021 at 5:00 p.m. its Regular Meeting Via Teleconference pursuant to Government Code § 54953, which allows the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Carder called the meeting to order at 5:00 p.m.

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

GOVERNING BOARD

PRESENT: Robin Carder, City of La Verne, Chair
Jed Leano, City of Claremont, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member
Paula Lantz, City of Pomona, Board Member
John Nolte, City of Pomona, Board Member (joined at 5:03 pm)
Elizabeth Ontiveros-Cole, City of Pomona, Board Member (joined at 5:03 pm)
Ronald T. Vera, City of Claremont, Board Member
Benita DeFrank, City of Pomona, Alternate Board Member

ABSENT: None.

STAFF: Toni Navarro, Executive Director
Darold Pieper, General Counsel
Diana Acosta, Chief Financial Officer
Elizabeth Renteria, Chief Clinical Officer
Rimmi Hundal, Director of MHSA & Ethnic Services
Natalie Majors-Stewart, Chief Compliance Officer
Mica Olmos, JPA Administrator/Clerk

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

CONSENT CALENDAR

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

1. CONSIDERATION OF RESOLUTION NO. 619 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Recommendation: "A motion to adopt Resolution No. 619 finding and declaring that it unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953."

2. APPROVAL OF MINUTES FROM THE OCTOBER 20, 2021 GOVERNING BOARD REGULAR MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Regular Meeting of October 20, 2021."

3. APPROVAL OF MINUTES FROM THE NOVEMBER 10, 2021 GOVERNING BOARD SPECIAL MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Special Meeting of November 10, 2021."

NEW BUSINESS

4. CONSIDERATION OF RESOLUTION NO. 620 AWARDING AN AGREEMENT TO AIRESPRING, INC. FOR NETWORK SERVICES MIGRATION PROJECT IN THE ANNUAL AMOUNT OF $76,495.68, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT

Executive Director Navarro provided reported that after the start of Chief Information Officer Ken Riomales, he assessed our network services and discovered that the cost and services could improve for our network. Accordingly, a Networking Services Request For Proposals (RFP) was was issued on June 4th; that four Proposals were received; that staff was presenting to the Board the scoring of the Proposals; that Airespring was selected based on best price, robust and technically sound solution, a positive follow up presentation explaining technical solution, and positive customer reference feedback. She explained that currently, our cost for internet services is approximately $132,000 annually; and that the Airespring Proposal is for $76,495 annually, resulting in a potential savings of $56,300 per year. She noted that a contract is not being presented because Airespring asked that its Proposal be first approved by the Governing Board before they can present their contract. Therefore, staff is asking the Board to adopt this resolution allowing the executive director to finalize the contract and execute the agreement.

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

Vice-Chair Leano spoke in support of the agreement with Airespring, pointing out that this will save the agency money and improve our network capacity; and thanked Mr. Riomales for his work, and praised staff for taking this on and finding ways to improve. He then moved to adopt Resolution No. 620 awarding an Agreement to Airespring, Inc. for Network Services Migration

Project in the annual amount of $76,495.68, and Authorizing the Executive Director to continue contract negotiations and execute the Agreement after it is finalized.

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

5. CONSIDERATION OF RESOLUTION NO. 621 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH KAIROS PARTNERS, LLC FOR THE IMPLEMENTATION OF NETWORK SERVICES IN AN AMOUNT NOT TO EXCEED $12,870 EFFECTIVE NOVEMBER 17, 2021

Executive Director Navarro reported that the new migration of network services at Tri-City will take approximately six months to implement, and pointed out, that Tri-City is also in the midst of implementing a brand new Electronic Health Record software, which was approved a couple of months ago by the Governing Board, in order for Tri-City be timely compliant with the upcoming State Medi-Cal service provision. She added that Tri-City is also experiencing staff shortages; therefore, we are in need of hiring someone to help us implement the network services and staff is recommending Jessica Wong, of Kairos Partners, who conducted Tri-City's structural and operation assessment of for IT division, and served as Interim Chief Information Officer and helped with the recruitment and hiring of Mr. Riomales.

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

Board Member Vera inquired what exactly Kairos Partners will be doing. Executive Director Navarro replied that they will be the lead on the project management of the network services on day-to-day basis to ensure there is no interruption in the flow of transfer of data and connection; that they will manage the 'end user experience' with the product, ensuring that all staff know how to access and utilize the new services properly and that software is working correctly on everyone's laptop.

Board Member Lantz inquired if Kairos Partners will the project manager for Airespring contract. Executive Director Navarro replied in the affirmative.

There being no further comment, Board Member Cockrell moved, and Board Member Nolte seconded, to adopt Resolution No. 621 approving an Agreement with Kairos Partners, LLC for the Implementation of Network Services in the amount not to exceed $12,870, effective November 17, 2021, and authorizing the Executive Director to execute it. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

6. CONSIDERATION OF RESOLUTION NO. 622 APPROVING AN AMENDMENT TO MHSA ANNUAL UPDATE FY 2021-22, AUTHORIZING THE TRANSFER OF FUNDS FROM COMMUNITY SERVICES AND SUPPORTS (CSS) PLAN IN THE AMOUNT OF $400,000 TO THE CAPITAL FACILITIES AND TECHNOLOGY NEEDS (CFTN) PLAN, AND THE AMOUNT OF $900,000 TO THE WORKFORCE EDUCATION & TRAINING (WET) PLAN

Director of MHSA and Ethnic Services Hundal reported that the Plan was posted for a 30-day public comment period beginning Friday, August 13th, and ended on September 14th, pointing out that it was also posted on Tri-City's website and social media, and distributed in community locations; and that the Plan was presented to the Mental Health Commission for approval on Tuesday, October 12th. She then stated that the Community Services and Supports (CSS) Plan receives 76% of MHSA funding, which is the largest percent; that the California Code of Regulations allows for the transfer of excess funds from CSS to prudent reserves, CFTN Plan, or the WET Plan, noting that the ability to reallocate funds creates the sustainability of CFTN and WET plans since each only received a one-time allocation of funds at its inception. She explained with the anticipation of expansion of agency personnel based on efforts to increase recruitment and retention, and the continuing need to ensure staff and client safety through social distancing, it has been determined that additional office space will be needed at the 2001 MHSA building; therefore, it is being recommended to transfer $400,000 from CSS into the CFTN and $900,000 be allocated to WET Plan. She added that this funding will help in creating two new staff positions in WET: 1) a Social Media Specialist to enhance Tri-City's web presence while promoting the benefits of employment, and 2) Diversity Equity and Inclusion Coordinator who will focus on ensuring an inclusive and equitable representation within Tri-City's workforce, stakeholders and cultural groups; and 3) funding to develop a student loan repayment program which will earmark funds to be paid on behalf of staff towards their student loan debt, after one year of employment.

Executive Director Navarro added that the Governing board authorized funds for CFTN to build out at 2001 Garey Building, and is currently doing an electrical upgrade; however, due to the pandemic, the cost of labor and supplies have considerable increased; and that this allocation of an additional $400,000 to that project will ensure enough funds in completing that project.

Board Member Vera expressed concern regarding transferring $900,000 to WET Plan, noting that he supports workforce, employment and training for current staff; however, by doing this transfer, it seems that we are going to create a permanent transfer of funds to support the two ongoing staff positions; and inquired if these two new positions can be funded from another fund. He also stated that the does not see much in the way of actually enhancing our current workforce other than for the repayment of the loans in terms of continued training. He also spoke in opposition of on what appears that one-third or one-half of this $900,000 is going be used to fund the two positions, because he does not see the workforce employment and training aspect of these positions at all.

Director of MHSA and Ethnic Services Hundal explained that these positions will work with the staff for training and development; therefore they should be funded out WET Plan because they are going to touch every employee with trainings which is also important for retention because when we surveyed staff, data received indicated that they do better in their jobs and feel more confident when they receive more trainings, noting that the DEI coordinator position will ensure that our staff is trained in culturally responsive services that they are providing to our community members.

Board Member Vera stated that the did not pick that up from the job description; that he was really looking at a way to enhance our staff, and give them the additional training and services that they need rather than just fund two staff positions; and stated that he is a little skeptical that we need to have a social media specialist to be hired from this, when we can do that.

Executive Director Navarro spoke about the use of media communications via the internet and our website which are things that counties across the State of California are needing to train the workforce; that clients and family members who are looking for help is really accessing us on those media platforms; that we have seen a demand and a need for that increasingly in our own;

that we have our Communications Coordination is currently doing that job; that there are other roles that the Communications Coordination should be doing; however, cannot get to them because of the social media piece at this point. She also stated that diversity equity and inclusion is a huge part of, not only maintaining our current workforce, but also is necessary for effective recruitment of quality staff that mirror the folks that we serve; that the DEI coordinator will make sure that our advisory councils are fully active, with both staff and with the community, and making sure that we have events that reduce stigma, bring people also into services; that these are vital pieces of the workforce education and training so that those topics remain front and center for t employees and their clients.

Board Member Vera stated that he agreed with Executive Director's comments in terms of the values of the organization that should be endemic, noting that it should be paramount for every department head, and not carve it out of these funds for one person; and stated that it was unnecessary; and that he would rather have the money really spent to really beef up the current training for our staff.

Director of MHSA and Ethnic Services Hundal stated that Tri-City does not have a strong presence in social media yet, and we want to take it to the next level which will required a full-time job of one-person.

Board Member Vera inquired how much money will be specifically be allocated for the repayment of student debt. Director of MHSA and Ethnic Services Hundal replied that at the state level, the loan repayment is about $7,000 per employee after they have completed one year of employment and indicated that Tri-City will have something similar; however, the repayment amount will be based on the applications received and what scoring of the applications will be as determined by the work groups. Executive Director Navarro added that it is expected to be approximately $500,000 for the student loan repayment. Board Member Vera stated that it is really important in terms of student debt; that this would be a great, attractive recruitment tool; and that by stating how much we are setting aside from this, it shows a commitment on our part.

Board Member Cockrell added that this amount needed to be spelled out in writing so that that money is held specifically for that purpose.

Executive Director Navarro replied in the affirmative; and expressed appreciation for Board Member Vera's comment about DEI being endemic to all the leaders, which is the ultimate goal; that unfortunately the reality is, that it is not, and that it will take some time for us to really understand what it means to be an anti-racist agency, to really understand how even county behavioral healthcare is really embedded and grows from a Western Eurocentric way of thinking on how we do the work; and that our communities, clients, our families, and research tells us is that they need a different way of how many of our staff and many of us, including myself, we are trained in the work; therefore, a DEI Coordinator at this point is necessary to take the lead on guiding all of us leaders to make sure we get on the right track is the right way; and that the ultimate goal is to have an agency that does not need an DEI coordinator.

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

There being no further comment, Vice Chair Leano moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 622 approving an Amendment to the MHSA Annual Update FY 2021-22 authorizing the transfer of funds from the CSS Plan in the amount of $400,000 to CFTN Plan, and the amount of $900,000 to WET Plan. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

7. CONSIDERATION OF RESOLUTION NO. 623 AUTHORIZING AN AGREEMENT FOR TEMPORARY, LIMITED TERM MANAGEMENT SERVICES WITH JESSE H. DUFF

Chair Carder announced that this is Toni Navarro's last meeting with the agency.

Executive Director Navarro reported that this will be her 145th Governing Board Meeting with Tri-City, noting that she attended 77 meetings as the executive director and 68 as the clinical director; and that her last day with the agency will be December 7th. She explained that she had accepted the position for Director of Behavioral Wellness for the County of Santa Barbara and cited personal reasons for her decision to move to Santa Barbara County; and that the highlight of her career has been to be here at Tri-City. She then stated that presented for discussion is the contract for the interim executive director as Tri-City searches for the next executive director.

Agency Counsel Pieper stated that JPA Administrator/Clerk Olmos had send out the draft contract and resolution that needs to be adopted, noting that the contract is fundamentally the last contract that Jess Duff had, although cut down quite a bit because there were provisions in the old one that are no longer applicable; and that the compensation is slightly above from what he was earning in 2004, and that is capped by the salary range that Tri-City has for this position.

Chair Carder stated that she and Counsel Pieper have been communicating during last week and they created a contract that was fair to everyone; that she is honored and pleased that Jesse Duff had agreed to return, noting that she has been so impressed with his leadership, that he is well respected, and it is a great transition since Jesse always stayed involved.

Jesse Duff stated that he was thankful for the opportunity and pointed out that when he was here for all those years, he fell in love with Tri-City and enjoyed working with all the three cities and all the board members. He stated he was anxious to come back and help the Board find a new executive director; and pointed out, that while the Board gave him some credit for Tri-City's success during those years, a lot of that success, even during that time, was attributable to Toni Navarro; therefore, it will be a difficult search, but he was looking forward to it.

Agency Counsel Pieper announced that this is a limited term contract; that although the contract runs for a little over nine months, we are already advertising for this position and it is anticipated that we will be aggressively recruiting for it; and that the term of the contract is simply to provide a breathing room if we have difficulty in consummating a new hire because of the current COVID environment. He also stated that the resolution provides that, between now and the 7th, Jesse Duff is basically a consultant and, as of the 8th, he is appointed as the interim executive director.

Discussion ensued regarding how the selection process should be conducted which will include selecting a Board AdHoc Committee, a hiring a recruiting firm, and the participation of stakeholders and staff in the recruitment process.

Chair Carder appointed Board Member Jed Leano, Carolyn Cockrell, and Paula Lantz to form a AdHoc Committee to work with staff and Jesse Duff, evaluate recruiting firms, and make a recommendation to the Board.

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

There being no further discussion, Board Member Lantz moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 623 approving an Agreement with Jesse H. Duff for Temporary, Limited Term Management Services, effective November 17, 2021. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

Chair Carder expressed appreciation for Executive Director Navarro's services to the Board and to Tri-City; stated that she is so impressed with her talent; and, on behalf of the Board, she thanked her very much and wished her all the best for her and her family; and commented that the County of Santa Barbara is very lucky to have her.

8. CONSIDERATION OF RESOLUTION NO. 624 ADOPTING THE MOTTO *'HOPE. WELLNESS. COMMUNITY. LET'S FIND IT TOGETHER*' CREATED FOR TRI-CITY MENTAL HEALTH AUTHORITY BY BRAND PURPOSE, LLC

Executive Director Navarro reported that about a year ago now, the Board approved a contract with Brand Purpose, LLC, to engage in a community engagement agency-wide revisiting of our purpose and our mission at Tri-City. She then said that over the next five years, there are going to be significant changes both at the state and local level regarding how behavioral health services are funded, and how they are operated; that the focus is going to be much more integrated care, with really heavy emphasis on community involvement and engagement. She added that Tri-City has not had not revisit of its mission and purpose that extensively since 2008-9, noting that it was time to do it; that over the past year, Jeremy Zimmerman conducted multi-day events with community stakeholders, partners, some clients and staff, as well as various focus groups throughout our agency with nearly 80 staff to identify what do they see as a priority for their mental health needs in the community and what do they see are their priority expectations for their mental health authority; with all that some motto and some purpose statements were derived which the Board had an opportunity to review; and that staff is recommending the motto created "*Hope. Wellness. Community. Let's find it together.*" She pointed out that the motto really captures what we do here at Tri-City; that it is an inspiring message for staff as well as the community; that it is based on the votes and the feedback received from staff and clients; that after the motto is adopted, then we can begin to add it to our letterhead and virtual backgrounds.

Jeremy Zimmerman, Co-Founder of Brand Purpose, LLC, stated that it has been an honor to run this leg of the race with each of us; that he has had the privilege of being able to interact with a number of us directly; that personally, it has made him a believer in community mental health after hearing the stories both from the team and from the people that Tri-City serves collectively; that it really gives me hope that there is something wonderful going on in that Tri-City can be just a light. He then shared his screen and provided an overview of the process in creating the motto, noting that it was important, more than any bit of collective creativity we could fain from the process, to distribute ownership and making the people who are responsible to express this idea to the people that Tri-City serves. He then discussed the process for selecting the words themselves because they mean more the way is presented and expressed internally and externally. He reported that we are currently working on the script for a brand introduction video, noting that some of the Board Members may be involved in the recording process, which can be used for recruiting and retention; and that also being put together are a series of graphics which will mounted on walls in the various facilities that will help be remind employees what we are about; that a thread of continuity that brings everything together will be in verbal, computer, and social media communications. He then shared some ideas for graphics which will not be wallpaper, nor requires to repaint walls, and will be portable; that there will be stationary design, editable tech templates that the social media team can use to maintain consistency, no matter what media is being used, whether it be print or digital; and stated that environmental graphics are so important because through that repetition and through behavior that validates the idea, people begin to believe it, and that changes everything.

Discussion ensued regarding the preference of the order which the words in the motor are written and there was consensus to be "*Hope. Wellness. Community. Let's find it together."*

Mr. Zimmerman stated that the Board can have the confidence that comes with following the path that you took to get to this place; that this motto is not just some ephemeral superficial label but this came from the depths of the organization and those who have been affected by it.

Board Member Nolte commented that it is nice that the Board is agreeing on this as Executive Director Navarro is leaving, and that it is kind of a stamp on her leadership that she leaves behind.

Chair Carder concurred with Board Member Nolte's comment, pointing it out that it is a nice legacy. She then opened the meeting for public comment; and there was no public comment.

There being no further discussion, Board Member Leano moved, and Board Member Cockrell seconded, to adopt Resolution No. 624 approving the implementation of the motto *'Hope. Wellness. Community. Let's Find It Together*' created by Brand Purpose, LLC exclusively for Tri-City Mental Health Authority to be included with its logo in all written communications. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

<u>MONTHLY STAFF REPORTS</u>

9. TONI NAVARRO, EXECUTIVE DIRECTOR REPORT

Executive Director Navarro stated that she has forwarded to the Board a letter to the public that she wrote at the request of the executive team; and discussed the content of the letter which included discussion the challenges that Tri-City has been going through as a result of COVID that has manifested for us in an increased demand for service, and some workforce shortages as people are impacted by COVID and make decisions for their lives; sharing our gratitude and thanks for their patience and partnership with Tri-City during this time; as well as sharing some of the adjustments we are making and how we do the work and provide the services so that we can actually do more services with less staff; about the Board commitment to Tri-City staff with a strategy for recruitment and retention, through the implementation of a sign on bonus, the longevity bonus, and the loan forgiveness. She then stated that it has been an honor and a privilege to serve; that she is thankful to the Board for her job and for the opportunity to help the three cities be healthier; and that she hopes the letter to the public helps reinvigorate.

Board Member Ontiveros-Cole expressed happiness for Executive Director Navarro moving to Santa Barbara; that wherever she had to go, it was her destiny and that she will do well; that it had been a pleasure working with her; and thanked her for working at Tri-City.

Vice-Chair Leano reported that two weeks ago, Rex Richardson, Vice-Mayor of the City of Long Beach, invited him to share with some of their stakeholders in a community meeting, what it is that we do in Claremont and in the Tri-City to integrate the mental health service delivery with the direct homeless services infrastructure, and how do we incorporate that into our coordinator response with law enforcement, pointing out that this was about the PAC program and incorporating Measure H navigation. He then said that he agreed to attend the meeting in Long Beach and asked Executive Director Navarro to attend the meeting with him; noting that he gave the introduction of what we do, and then Ms. Navarro just took over on the clinical side and it was a home run presentation; that everybody in Long Beach was taking a lot of notes on what we are doing and Ms. Navarro had an answer for everything. He commented that having a large city such as Long Beach trying to model some of their service delivery infrastructure around what Executive Director Navarro has created here in Tri-City, is a real testament to her leadership and it's appropriate that this took place right before she leaves because it was a reminder of how valuable she had been to Claremont and to everybody else. He then announced that next week is the Claremont Council meeting and he will provide his appropriate accolade at that time on behalf of the City of Claremont.

Executive Director Navarro shared that the big news story up in Santa Clara County today is that it is investing in this great new program of navigators in the community that will help all residents seek mental health and any service they need, pointing out that this is taking place eleven and a half years later, from when Tri-City started the navigator program which is a model for the State; and that this news was so serendipitous to happen on one of her last days with Tri-City.

Board Member Lantz thanked Vice-Chair Leano for highlighting that opportunity to share with Long Beach, as well as the opportunity for including Ms. Navarro in that presentation; and stated that it is really great to have had that opportunity to share what we are doing with such a large city; and thanked Vice-Chair Leano for making that happen and Ms. Navarro for making Tri-City look so good.

Executive Director Navarro expressed appreciation and respect for Vice-Chair Leano for honoring the work of all the staff at Tri-City by always including us in the things that he puts forward to the community and to the City of Long Beach.

10. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta expressed how much she is going to miss Executive Director Navarro, noting that she has been a huge part of her growth here at Tri-City and she will miss her leadership and thank her. She then reported that she was hoping to bring Tri-City's audited Financial Statements to the Board to be received and filed this month; however, due to unforeseen delays by the audit firm, has further delayed the issuance of our audited financial statements; and that she expects to present them in the December Board Meeting.

11. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria stated that she also will miss Executive Director Navarro's leadership and guidance; and expressed appreciation for the opportunity that she gave her to work at Tri-City and join this wonderful family, and program, and staff. She then talked about the things that we are doing to manage the flow of clients and manage providing quality care even, amidst our staffing shortages, such as working on implementing a program known as illness management, a group treatment opportunity for those clients that are experiencing chronic mental health issues; and that staff is currently being trained and expect to have full implementation by January; and that we are working together with our Workforce Education and Training Program to ensure that each of our clinicians that are treating clients, are receiving training and collaborative assessment and management of suicidality and evidence based suicide specific treatment, which will enable clinicians to provide the appropriate level of care for those clients that come in experiencing suicidal thoughts and behaviors; that it is expected to have staff trained fully in January for our official kickoff of our zero suicide initiative; and that she will provide an update in February.

Board Member Vera One commented that one of the charts in the staff report shows that the staff shortages are affecting our ability to provide services. Chief Clinical Officer Renteria this trend is happening across the state; that we are doing our best to address it and continue to provide the highest quality of care possible.

12. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Executive Director Navarro, spoke on behalf of Dr. Teimoori, stating that he had reported on the number of services that the outreach team, the supplemental crisis and the PAC team are doing in our communities. She then talked about staff shortages and the county restrictions when competing with private managed care companies are doing; and that with the new motto, Tri-City can utilize it for hiring purposes.

13. RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Director of MHSA & Ethnic Services Hundal announced that Tri-City is starting a new advisory council for transitional age youth, and provided meeting information; that the various advisory councils did a presentation to the Mental Health Commission last month and talked about what mental health means in each community; that during the month of October, Tri-City hosted stakeholder meetings, noting that staff is revamping our engagement in the community; that the Workforce Education Training Supervisor has been meeting with the local colleges, trying to recruit and encourage students to apply to Tri-City when they are done with their bachelor or master's program; that staff met with the courageous minds bureau, a Tri-City speakers bureau that really does help with stigma reduction, noting that it is important to a person's recovery to tell their story because there is healing in that process; that for our innovation project, we are again reaching out to the community asking for ideas. She also stated that Executive Director Navarro will be missed; that she and Ms. Navarro started working at Tri-City two days apart from each other, noting that she was staff #55 and Ms. Navarro was #56; thank her for leaving us with such a good successful agency; that the great work that she has done will stay here and we will make sure that we take it to the next level; and also thanked her for everything she has done for Tri-City, for her leadership, and for13 and a half years of service.

14. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart stated she will miss Executive Director Navarro; and reported that another 'feather' in Executive Director Navarro's cap is that she is going out on a really good MHSA program audit reviews; that the MHSA program audit results were very favorable; that the auditors were pleased overall with our agency's MHSA program and our compliance with regulation statues and our M HSA performance contract; that specifically the auditors were pleased with the presentation and the level of detail in our reports and outcomes, and of particular note, the auditors really enjoyed learning about our Wellness Center, and are interested in coming down from Sacramento to make a special visit because they want to learn more.

15. KEN RIOMALES, CHIEF INFORMATION OFFICER REPORT

Executive Director Navarro provided, on behalf of Chief Information Officer Riomales, an update on the projects happening in addition to the Electronic Health Record software implementation; stating that we are working on our system security update, which should be completed in January. She then thanked Brian Cesario, pointing out that the IT team is doing an amazing job for Tri-City and they are the unsung heroes of our agency.

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

There being no further comment, Vice-Chair Leano moved, and Board Member Lantz seconded, to receive and file the month of November staff reports. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

GOVERNING BOARD COMMENTS

Board Member Vera reiterated what a great job Executive Director Navarro has done, noting that it is difficult juggling so many things and she had been able to do it without losing her composure. He stated that he is on the Pomona Valley Hospital Board and several months ago, they discussed setting up a be well campaign, which sounded very similar to what Tri-City is doing; that he asked Richard Yokum, PVH President, to meet with Executive Director Navarro to find out what Tri-City was doing; and that Ms. Navarro came and presented what Tri-City was doing. He indicated that he will miss Ms. Navarro because she would have been fantastic to lay the groundwork for the campaign that PVH wants to do with others; that he hopes her successor will be a key part in this campaign; and noted that it is current underway orange county and there is people that want to replicate that here with Tri-City's involvement. Lastly he said that Ms. Navarro will be missed.

Executive Director Navarro expressed appreciation for Board Member Vera's kind words, and excitement to hear PVH wanting to do something community wide; and pointed out that if orange county can get a be well campaign done, then Pomona, Claremont, and La Verne can also do it because this is the most engaged medium county in California. Shen then thanked former NAMI leadership in the meeting for making her a better leader, for pushing her and challenging her to really think about why and how we were doing the work to fulfilling our mission; and that she will take them all with her into her next job.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 6:14 p.m., on consensus of the Governing Board its meeting of November 17, 2021 was adjourned. The Governing Board will meet next in a Regular Joint Meeting with the Mental Health Commission to be held on Wednesday, December 15, 2021 at 5:00 p.m., via teleconference pursuant to Government Code § 54953, due to the COVID-19 pandemic.

____
Micaela P. Olmos, JPA Administrator/Clerk

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

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

SUBJECT: **Consideration of Resolution No. 626 Adopting Tri-City Mental Health Authority's 2022 Meeting Schedule**

Summary:

The Joint Powers Agreement between the Cities of Claremont, La Verne, and Pomona, requires that the Governing Board provide the date, hour, and place of its regular meetings and it shall be fixed by resolution of the Governing Board. Also, it is convenient and useful to Tri-City's clients and partners, Governing Board, and staff to fix the dates of the Regular Meetings, and other significant meetings, of the Governing Board and the Mental Health Commission through the adoption of an annual schedule.

Background:

The Governing Board of Tri-City Mental Health Authority currently conducts its Regular Meetings, and its Joint Meetings with the Mental Health Commission, at 5:00 p.m. on the third Wednesday of the month, except during the month of August when meeting are not held, in the MHSA Office located at 2001 North Garey Avenue in Pomona, California.

However, the Governing Board is authorized to hold its public meetings via teleconference pursuant to California Governor Newsom's Executive Order N-29-20, and N-8-21, which were adopted to suspend the Brown Act's teleconferencing requirements as a response to mitigating the spread of Coronavirus (COVID-19) through September 30, 2021.

Then, on September 16, 2021, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361), codified under Government Code § 54953, waiving certain provisions of the Brown Act in order to allow local agencies to continue to meet using teleconferencing without complying with the regular teleconferencing requirements. AB 361 will sunset on January 1, 2024. The Governing Board will continue to hold its public meetings via teleconference until further notice.

Lastly, as a result of increased legislative requirements and business matters that have to be reviewed and approved by the Governing Board, beginning in 2022, meetings have been added during the month of August for both the Governing Board and the Mental Health Commission; therefore, they will no longer be dark during the month of August.

Funding:

None required.

Recommendation:

Staff recommends the approval of Resolution No. 626 adopting the dates, time, and place where the Governing Board and Mental Health Commission Meetings are held.

Attachment:

Attachment 6-A: Resolution No. 626, Adopting the 2022 GB & MHC Meeting Schedule

RESOLUTION NO. 626

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING ITS 2022 MEETING SCHEDULE

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"), conducts its Regular Meetings, and its Joint Meetings with the Mental Health Commission, at 5:00 p.m. on the third Wednesday of the month, in the MHSA Office located at 2001 North Garey Avenue in Pomona, California.

B. Pursuant to California Governor's Executive Order N-29-20 (Paragraph 3), adopted as a response to mitigating the spread of Coronavirus (COVID-19), the Governing Board is authorized to hold its public meetings via teleconference; and on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21 continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021.

C. On September 16, 2021, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361), codified under Government Code § 54953, waiving again certain provisions of the Brown Act in order to allow local agencies to continue to meet using teleconferencing without complying with the regular teleconferencing requirements of the Brown Act when a legislative body holds a meeting during a proclaimed state of emergency and it unsafe to meet in person. AB 361 will sunset on January 1, 2024.

D. The Joint Powers Agreement between the Cities of Claremont, La Verne, and Pomona, requires that the Governing Board shall provide the date, hour, and place of its regular meetings and shall be fixed by resolution of the Governing Board.

E. It is convenient and useful to TCMHA's clients and partners, Governing Board, and staff to fix the dates of the Regular Meetings of the Governing Board and the Mental Health Commission, and of other significant meetings, through the adoption of an annual schedule.

2. Action

The Governing Board adopts the 2022 Meeting Schedule attached herein as "Exhibit A".

[Continued on Page 2.]

ATTACHMENT 6-A

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 15, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

By:______________________________

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:______________________________

EXHIBIT A

2022 MEETING SCHEDULE

Effective January 1, 2022

	Governing Board		Mental Health Commission	
January	19	5:00 p.m.	11	3:30 p.m.
February	16	5:00 p.m.	8	3:30 p.m.
March	16	5:00 p.m.	8	3:30 p.m.
April	20	5:00 p.m.	12	3:30 p.m.
May	18*	5:00 p.m.	18*	5:00 p.m.
June	15	5:00 p.m.	14	3:30 p.m.
July	20	5:00 p.m.	12	3:30 p.m.
August	17	5:00 p.m.	9	3:30 p.m.
September	21	5:00 p.m.	13	3:30 p.m.
October	19	5:00 p.m.	11	3:30 p.m.
November	16	5:00 p.m.	8	3:30 p.m.
December	21*	5:00 p.m.	21*	5:00 p.m.

Regular Meeting Location – Governing Board
(Held the 3rd Wednesday of the Month)
MHSA Office, 2001 N. Garey Avenue, Pomona, CA 91767

Regular Meeting Location – Mental Health Commission
(Held the 2nd Tuesday of the Month; except in May* & December*)
MHSA Office, 2001 N. Garey Avenue, Pomona, CA 91767

**Joint Meetings of Tri-City Governing Board and Mental Health Commission*
(Held the 3rd Wednesday during the months of May and December)
MHSA Office, 2001 N. Garey Avenue, Pomona, CA 91767

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

SUBJECT: **Consideration of Resolution No. 627 Authorizing the Interim Executive Director to Submit on Behalf of Tri-City a Competitive Funds Round 4 Application to Participate in the No Place Like Home (NPLH) Program**

Summary:

Staff is seeking approval from the Governing Board to authorize the Interim Executive Director to apply for a No Place Like Home Competitive Funds Round 4 grant in partnership with the developer Cesar Chavez Foundation (CCF) in the amount of $2,455,488, to fund 8 units of permanent supportive housing in the CCF East End Village project located at 1321 E. Holt Avenue, Pomona, CA 91767.

Background:

On July 1, 2016, Governor Brown signed landmark legislation enacting the No Place Like Home (NPLH) program to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. In November 2018, voters approved Proposition 2 authorizing the sale of up to $2 billion of revenue bonds and the use of a portion of Proposition 63 taxes for the NPLH program. The bonds are to be repaid by funding from the Mental Health Services Act (MHSA). NPLH funds provide Non-Competitive and Competitive Allocations to county behavioral health departments and the two city jurisdictions covered by the Bronzan-McQuorcondale Act.

Funding amounts for the allocations available for the counties and two cities are based on a formula of the county/city's population size and percentage of the State's total population of persons identified as homeless from the 2019 Statewide Point-In-Time Homelessness Count. On October 23, 2020, the Department of Housing and Community Development (HCD), which oversees NPLH, released its Notice of Availability of Funds (NOFA) for Round 3 of the Competitive Allocation process. On December 16, 2021, the Governing Board authorized the Executive Director to submit, on behalf of Tri-City Mental Health Authority a Competitive Funds Round 3 Application in partnership with the Cesar Chavez Foundation (developer), for a maximum allocation of $1,988,527 for the East End Village Housing Project. On March 11, 2021, Tri-City was notified that the application for the project was ineligible for funding under the NPLH program's threshold eligibility requirements as set forth NOFA dated October 23, 2020.

On October 29, 2021, the Department of Housing and Community Development (HCD) released its Notice of Availability of Funds (NOFA) for Round 4 of the Competitive Allocation process for a maximum allocation of $2,455,488 for Tri-City (*Attachment 8-B*).

On December 7, 2021, the Cesar Chavez Foundation asked again if Tri-City wished to participate the East End Village Project since it is very likely that it will be awarded funding from the Department of Housing and Community Development (HCD) under the Affordable Housing and Sustainable Communities (AHSC) Program. The deadline to apply for Round 4 is January 19, 2022.

Tri-City staff continues to view the East End Village as an important project for the City of Pomona, which is in full alignment with Tri-City's mission and values. The East End Village will bring a large number of very affordable units to persons and families most in need. Also by having the East Valley Medical Center as a partner that will occupy the ground floor space of the complex, it will bring valuable health care resources to the residents and easier access to care for the surrounding neighborhood.

Fiscal Impact:

None; the $2,455,488 funds are from the NPLH Competitive allocation.

Recommendation:

Staff recommends that 1) the Governing Board authorize Tri-City to partner with the Cesar Chavez Foundation for 8 units of permanent supportive housing in the East End Village Housing Project; and 2) adopt Resolution No. 627 authorizing the Interim Executive Director to file on behalf of Tri-City a NPLH Competitive Allocation Round 4 Application for a maximum amount of $2,455,488.

Attachments:

Attachment 7-A: Resolution No. 627 - DRAFT

Attachment 7-B: No Place Like Home Competitive Allocation Round 4 Notice of Funding Availability (NOFA)

RESOLUTION NO. 627

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE AUTHORITY (COUNTY) TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM COMPETITIVE ALLOCATION FOR THE EAST END VILLAGE PROJECT

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

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

A. The State of California, Department of Housing and Community Development ("Department") issued a Notice of Funding Availability for Round 4 funds dated October 29, 2021, as may be amended from time to time, ("NOFA"), under the No Place Like Home Program ("NPLH" or "Program") authorized by Government Code section 15463, Part 3.9 of Division 5 (commencing with Section 5849.1) of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890.

B. The NOFA relates to the availability of approximately $486 million in Competitive Allocation funds under the NPLH Program.

C. Tri-City Mental Health Authority is a County and an Applicant, as those terms are defined in the NPLH Program Guidelines, enacted in 2020 ("Guidelines").

2. Action

A. The County is hereby authorized and directed to apply for and if awarded, accept funds from the NPLH Program not to exceed $2,455,488 ("NPLH Loan").

B. The County Executive Director, Interim Executive Director, or his or her designee, is hereby authorized and directed to act on behalf of County in connection with an award of the NPLH Loan, and to enter into, execute, and deliver any and all documents required or deemed necessary or appropriate to evidence the NPLH Loan, the County's obligations related thereto, and the Department's security therefore. These documents may include, but are not limited to, a State of California Standard Agreement ("Standard Agreement"), a regulatory agreement, a promissory note, a deed of trust and security agreement, a capitalized operating subsidy reserve agreement and any and all other documents required or deemed necessary or appropriate by the Department as security for, evidence of, or pertaining to the NPLH Loan, and all amendments thereto (collectively, the "NPLH Program Documents").

[Continued on page 2.]

C. The County shall be subject to the terms and conditions that are specified in the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that County will use the NPLH Loan in accordance with the Guidelines, other applicable rules and laws, the NPLH Program Documents, and any and all NPLH Program requirements.

D. The County will make mental health supportive services available to each project's NPLH tenants for at least 20 years and will coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified in Section 202 of the Guidelines.

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 15, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

By:____________________________

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:____________________________

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE
2020 W. El Camino Avenue, Suite 670
Sacramento, CA 95833
(916) 263-2771
www.hcd.ca.gov

October 29, 2021

MEMORANDUM FOR: All Potential Applicants and Interested Parties

FROM: Jennifer Seeger, Deputy Director
Division of State Financial Assistance

SUBJECT: **No Place Like Home Program, Competitive Allocation Notice of Funding Availability, Round 4**

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of a minimum of $486 million in funds for the No Place Like Home (NPLH) Program Notice of Funding Availability, Round 4. Approximately $231.4 million of this amount is available through the HCD Competitive Allocation. The remaining approximately $254.5 million is available under the Alternative Process County (APC) Allocations.

The amounts available under this NOFA are subject to adjustment prior to finalizing Round 4 Project awards. Adjustments may be made depending on changes in bond financing costs, amounts unawarded from the Noncompetitive Allocation that will be transferred to the Competitive Allocation, as well as returned funds. All remaining uncommitted funds will be awarded in Round 4.

The NPLH program provides deferred payment loans to Counties applying independently and to Counties applying with a Development Sponsor for the development of Permanent Supportive Housing for persons living with a serious mental illness who are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness. NPLH funds must be used to acquire, design, construct, rehabilitate, or preserve Permanent Supportive Housing, which may include a Capitalized Operating Subsidy Reserve. The definition for terms used in this memorandum can be found in the NPLH October 2020 program Guidelines and the attached NOFA.

HCD Competitive Allocation

Eligible project applications to be submitted by Counties to HCD under the Competitive Allocation are multifamily rental housing projects of five or more Units located in Counties other than Los Angeles, San Diego, San Francisco, and Santa Clara, except as specified below. Project applications submitted under this Competitive Allocation will be funded on a competitive basis, subject to the availability of funds.

Note: The Tri-Cities of Pomona, Claremont, and La Verne, and the City of Berkeley, are considered separate Counties under the NPLH program because they receive a direct allocation of Mental Health Services Act (MHSA) funds from the California Department of Health Care Services. Projects of five or more Units located in these cities must be submitted to HCD through the Competitive Allocation.

For Projects funded under this Competitive Allocation, Counties compete for available funds with other Counties of a similar population size.

Population Group	Initial Amount
Large County (population greater than 750,000)	$121,200,609
Medium County (population between 200,000 to 750,000)	$55,545,271
Small County (population less than 200,000)	$54,701,849
Total	**$231,447,729**

For a list of Counties within each population group, see Appendix A in the NPLH NOFA. **The amounts above reflect any adjustments made for reallocations of funds under Round 3. See Appendix A for more detail.**

Alternative Process Counties Allocation

The Counties of Los Angeles, San Diego, San Francisco, and Santa Clara are designated as APCs. APCs need not apply for Round 4 funding. The allocations are automatic, provided that the County's NPLH program complies with all applicable NPLH Guideline requirements. Below are the Round 4 APC Allocations available under this NOFA.

County	Initial Amount
Los Angeles	$173,957,962
San Diego	$29,874,192
San Francisco	$22,934,093
Santa Clara	$27,786,022
Total	**$254,552,269**

The NPLH program Guidelines, application forms, and application training information for Projects submitted to HCD are available on the NPLH Program webpage.

Application materials submitted to HCD must be submitted electronically via the Financial Assistance Application Submittal Tool (FAAST) system no later than 5:00 p.m. Pacific Standard Time on January 19, 2022. HCD will no longer accept hardcopy submittals

To receive information on workshops and other updates, please subscribe to the NPLH listserv. If you have any further question, please contact NPLH@hcd.ca.gov.

Attachment

No Place Like Home Program

Round 4 Notice of Funding Availability

Gavin Newsom, Governor
State of California

Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency

Gustavo Velasquez, Director
California Department of Housing and Community Development

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833
Website: http://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml
Program email: NPLH@hcd.ca.gov
Telephone: (916) 263-2715

October 29, 2021

TABLE OF CONTENTS

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD) hereby announces the availability of a minimum of $486 million in Round 4 Competitive Allocation and Alternative Process County (APC) funds for the No Place Like Home (NPLH) program. Approximately $231.4 million of this amount is available through the HCD Competitive Allocation. The remaining approximately $254.5 million is available under the APC Allocations.

The amounts available under this Notice of Funding Availability (NOFA) are subject to adjustment prior to finalizing Round 4 Project awards. Adjustments may be made depending on changes in bond financing costs, amounts unawarded from the Noncompetitive Allocation (NCA) that will be transferred to the Competitive Allocation, as well as returned funds. All remaining uncommitted funds will be awarded in Round 4.

The disbursement of funds pursuant to this NOFA is contingent on: (1) the sale of bonds by the California State Treasurer's Office; and (2) the availability of proceeds of any such bond sales made available to HCD for disbursement pursuant to all program requirements.

NPLH provides deferred payment loans to Counties applying independently as a Development Sponsor, as well as to Counties applying jointly with another entity as a Development Sponsor, to finance the development of Permanent Supportive Housing for persons living with a serious mental illness who are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness. NPLH funds must be used to acquire, design, construct, rehabilitate, or preserve Permanent Supportive Housing and may be used to fund Capitalized Operating Subsidy Reserves (COSR). Funding under this NOFA is provided through the sale of bonds with interest payments on the bonds funded through the Mental Health Services Fund of the Mental Health Services Act (MHSA).

NPLH funds are available through a NCA and a Competitive Allocation. This NOFA addresses funds that will be available through Round 4 of the Competitive Allocation. Competitive Allocation funds and a County’s NCA funds may be used in the same Project. Projects proposing to use both of these sources of NPLH funds must submit one Project application utilizing the Competitive Allocation forms provided with this NOFA. In order for Counties to use their NCA funds, they must have submitted their acceptance form to HCD no later than August 15, 2019. These NCA funds must also be currently available and not already awarded by HCD to other NPLH Projects. If the County has previously requested an extension to submit an application to use their NCA funds, that extension must have been already granted by HCD.

Defined terms within the October 2020 NPLH Guidelines (Guidelines) are capitalized in this NOFA. Definitions of capitalized terms can be found in Section 101 of the Guidelines.

B. Competitive Allocation Amounts for HCD Administered NPLH Funds

For Projects funded under this HCD Competitive Allocation, Counties compete for available funds with other Counties of a similar population size. The initial amounts available under this NOFA for the HCD Competitive Allocation within each population group are as follows.

Population Group	Initial Amount
Large County (population greater than 750,000)	$121,200,609
Medium County (population between 200,000 to 750,000)	$55,545,271
Small County (population less than 200,000)	$54,701,849
Total	**$231,447,729**

For a list of Counties within each population group, see Appendix A in the NPLH NOFA.

The total amount of funds available within each County population group is based on a formula that accounts for:

1. The proportionate share of Homeless persons among the Counties within each group based on the most recent Point-In-Time (PIT) Count of both sheltered and unsheltered Homeless persons as published by the U.S. Department of Housing and Urban Development (HUD), and as compared to the state's total Homeless population. This factor is weighted at 70 percent; and

2. The proportionate share of Extremely Low-Income (ELI) renter households that are paying more than 50 percent of their income for Rent using HUD's Comprehensive Housing Affordability Strategy dataset. This factor is weighted at 30 percent.

Notwithstanding the above calculation, the Small County Allocation shall be no less than 8 percent of the funds made available in the Competitive Allocation.

In addition, pursuant to Guideline Section 204 (d) (6) (D), If the total funds requested for a County population group(s) is less than the amount made available to that population group(s) in the NOFA, HCD may use funds from that population group(s) to fund other eligible unfunded applications in other population group(s) as long as HCD adjusts the allocations for each affected population group in the subsequent NOFA to account for any such reallocation.

Consistent with this provision, the amounts within each population group above reflect adjustments in allocations as a result of reallocations of funds made in Round 3. See Appendix A for more detail.

C. Alternative Process County Allocation

If a County with five percent or more of the state's homeless population wants to administer its NPLH funds, it can be designated by HCD as an APC. Once the County has been designated as an APC, the County, as the Project lender, will use its share of funds to select Projects of any number of Units based on a method of distribution approved by HCD, and will monitor these Projects for the required period of affordability. Articles I and III of the Guidelines address HCD requirements for APCs. As of the date of this NOFA, four Counties have been designated to be APCs: Los Angeles, San Diego, San Francisco, and Santa Clara Counties. APCs need not apply for their Round 4 allocation. It will be automatic provided that the County's NPLH program complies with all applicable NPLH Guideline requirements.

Upon request, HCD may offer each APC a one-time advance on future funding allocations in order to address documented unmet application demand. Funds advanced in a particular round will be deducted from the amount available to the APC in the following funding round(s).

County	Initial Amount
Los Angeles	$173,957,962
San Diego	$29,874,192
San Francisco	$22,934,093
Santa Clara	$27,786,022
Total	**$254,552,269**

Once a County has been designated by HCD to administer funds as an APC, proposed Projects located in an APC, other than Projects located in the cities of Claremont, La Verne, and Pomona, must apply for NPLH funds through the APC pursuant to the terms of the APC's application process in accordance with the method of distribution and other requirements approved by HCD.

HCD will not accept applications for Projects located in APCs under this NOFA, except for proposed Projects of five or more Units located in the cities of Claremont, La Verne, and Pomona. The cities of Berkeley, Claremont, La Verne and Pomona are considered Counties under the NPLH statute because these cities receive a direct allocation of MHSA funds. Therefore, these cities can be direct applicants for NPLH funds.

For a current list of these APC contacts, see the most recent HCD award list(s) for each of the APCs located on the NPLH Program webpage.

D. Tentative program timeline

1. Projects submitted to HCD

NOFA release	October 2021
Application deadline for Projects submitted to HCD	January 19, 2022, 5 p.m. Pacific Standard Time
Award announcements for Projects submitted to HCD	June 30, 2022

2. Projects Submitted to APCs

HCD awards funds to APCs	June 30, 2022
Application deadline for Projects submitted to an APC	Determined by the County
Award announcements for Projects submitted to an APC	Determined by the County

E. Authorizing Legislation, Program Guidelines, and Regulations

The NPLH program furthers the purposes of Assembly Bill (AB) 1618, (Chapter 43, Statutes of 2016), as amended by AB 1628, (Chapter 322, Statutes of 2016, effective September 13, 2016), the 2018 No Place Like Home Act (AB 1827, Assembly Budget Committee), and Senate Bill (SB) 1030, (Chapter 165, Statutes of 2020, effective September 25, 2020). Guidelines implement, interpret, and make specific the NPLH statutes.

The NPLH program Guidelines establish terms, conditions, and procedures for the award of funds under the Competitive Allocation. The current Guidelines are available on the NPLH website at Guidelines. Except as otherwise provided in the Guidelines, multifamily rental housing Projects of five or more Units underwritten by HCD are also subject to HCD's current Uniform Multifamily Regulations (UMRs). The current UMRs are located at HCD UMR webpage.

Applicants are responsible for complying with the NPLH program requirements set forth in the Guidelines, UMRs, and NOFA, as applicable. Applicants are advised to carefully review the Guidelines, UMRs, and information contained in this NOFA before submitting applications.

II. Program requirements

The remainder of this NOFA addresses individual Project threshold requirements and competitive application rating criteria for Projects of five of more Units to be administered by HCD using Competitive Allocation funds.

The following is provided as a summary and is not to be considered a comprehensive representation of the eligibility, threshold, and application rating criteria, or other requirements or terms and conditions of the NPLH program. Terms that are defined in the Guidelines are capitalized.

A. Project Requirements

Projects are eligible to receive funding if they meet the requirements of Section 202 of the Guidelines.

1. Eligible Applicants

Applications must be submitted by a single County independently as the Development Sponsor, or by a single County jointly with another entity as the Development Sponsor. Two or more Counties may apply together as joint Applicants if there is a commitment to collaborate in the provision or coordination of supportive services or other resources to the Project, and if NPLH tenants from each of the Applicant Counties are expected to reside in the Project.

If a County does not want to be the borrower on any NPLH loan documents, then it must apply jointly with a Development Sponsor.

NOTE: the definition of "Development Sponsor" within Section 101 of the NPLH Guidelines includes a duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by HCD as qualified to own, manage, and rehabilitate a Rental Housing Development.

As part of implementation of AB 1010 (Garcia) (Chapter 660, Statutes of 2019) to provide greater opportunities to Native American Tribal housing organizations to access available resources through HCD, the following clarifies Development Sponsor as it relates to Native American Tribal Housing organizations:

Federally Recognized and Special Government Entities and Properties:

A Development Sponsor that is any of the following:

a. It meets the definition of Indian tribe under Section 4103 of Title 25 of the United State Code (means any Indian tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.). 25 USC 4103(13)(B);
b. If not a federally recognized tribe, either
    i. It is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Section 82.1 of Title 25 of the Federal Code of Regulations. (Office of Federal Acknowledgment (OFA) | Indian Affairs (bia.gov))
    ii. It is an Indian tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to Section 65352.3 of the Government Code (GC); and proposes a project on land that satisfies the following:
        1. Located in Indian country as defined by 18 USC 1151, or
        2. Located on fee land.

Each Applicant shall elect and disclose whether or not the Project will be part of an application to the California Tax Credit Allocation Committee (TCAC) seeking tiebreaker incentives for hybrid 4 percent and 9 percent tax credit projects. A Development Sponsor that will apply to TCAC seeking hybrid tiebreaker incentives must submit applications jointly with a County for NPLH funds for one or both hybrid component Projects, but each component Project must apply independently with a separate application. The hybrid election is irrevocable unless the requirements of Guidelines Section 200 (n) are met.

2. Development Team Experience

The minimum experience requirements set forth in Section 202 (c) of the Guidelines must be met collectively among the members of the Project team consisting of the Applicant (i.e., the County applying independently or the County applying jointly with a separate Development Sponsor), the property manager, and the lead service provider if the lead service provider is not the County. The experience requirements in Section 202 (c) vary based on County population size. Documentation of property manager and lead service provider experience must also be provided as set forth in the NPLH Supplemental Application.

3. Uses and Terms of Program Assistance

NPLH funds will be provided as post-construction permanent loans in Rental Housing Developments of five or more units serving qualifying members of the Target Population. All NPLH funds shall be used for the development costs identified in the California Code of Regulations (CCR), Title 25, Section 7304, Subdivision (b), and to refinance loans used to cover such costs.

NPLH funds may be used to capitalize operating subsidy reserves for NPLH Assisted Units pursuant to the requirements of Section 209 of the Guidelines, and under Section 8308 of the UMRs. (The capitalized reserves permitted under Section 209 are hereafter referred to as COSRs.) Pursuant to the 2020 Cal. Legis. Serv. Ch. 147 (SB 1030 (Chapter 165, Statutes of 2020)), which amended Welfare and Institutions Code (WIC) Section 5849.8, COSRs provided by HCD shall be provided in the form of a grant.

NPLH funds may be used to rehabilitate existing affordable housing. Projects proposed for rehabilitation will be underwritten based on the number of NPLH tenants the Project will house upon completion of the rehabilitation. The proposed Project can be comprised of vacant Units or Units currently occupied with tenants meeting the occupancy and income requirements under Section 206 of the Guidelines.

Proposed Projects involving new construction and requiring the demolition of existing residential space are eligible only if the number of bedrooms in the new Project is at least equal to the total number of bedrooms in the demolished structures, unless HCD approves an exception to this one-for-one replacement rule in accordance with UMR Section 8302 (b).

For example, it may approve a reduction in the number of single room occupancy (SRO) Units where necessary to add private cooking and bathing facilities, or a reduction in the number of bedrooms in public housing necessary to meet federal requirements. Requests for an exception to the one-for-one replacement rule should be submitted to HCD on or before the application deadline to ensure that this issue can be resolved as soon as possible. The new Units may exist on separate parcels if all parcels are part of the same Rental Housing Development and meet the requirements of Scattered Site Housing described in Section 202 (m) of the Guidelines.

Program assistance provided on land that is not Tribal Trust land shall have an initial term of 55 years or longer to match the period of affordability restrictions under the Low-Income Housing Tax Credit Program, commencing with the date of recordation of HCD’s NPLH regulatory agreement. For Projects located on Tribal Trust land, Program loans shall have an initial term of 50 years to match the period of affordability restrictions under the Low-

Income Housing Tax Credit Program, commencing with the date of recordation of HCD's NPLH regulatory agreement.

Program loans shall be secured by the Project's real property and improvements, subject only to liens, encumbrances, and other matters of record approved by HCD consistent with Section 8315 of the UMRs.

All construction loan closings for the NPLH-funded Project shall occur no later than 36 months from the date of HCD's award letter to the Project. HCD's permanent loan closing shall occur no later than 72 months from the date of HCD's award letter to the Project. HCD may extend these deadlines a total of up to 24 months in the aggregate where it is clear to HCD in its sole discretion that granting an extension will enable the Project to start construction or achieve 90 percent occupancy of the Assisted Units.

Other loan terms are described in Section 200 of the Guidelines. Additional requirements governing supportive services, tenant selection, and income and rent restrictions are discussed in the other sections of the NOFA below.

4. Use of County Noncompetitive Allocation Funds

The application submission deadline for Projects proposing use of NCA funds was February 15, 2021, unless HCD has granted the County an extension of this deadline. Counties for whom HCD has granted an extension, can propose Projects utilizing funds from both the NCA and the Competitive Allocation. using the current Competitive Allocation NOFA and Application Forms. These Project applications must be submitted by the deadline in the Round 4 Competitive Allocation NOFA,

Counties that have been granted an extension by HCD, may also submit Project applications proposing to use NCA funds <u>without the use of NPLH Competitive Allocation funds</u>. For these Projects, use the NCA NOFA and application forms found on the NPLH webpage. These forms do not contain worksheets for application scoring criteria. These Project applications can be submitted at any time up to the application submission deadline in the NCA NOFA.

NCA funds not awarded to Projects by HCD, shall be used to fund Projects submitted under the Round 4 Competitive Allocation NOFA, or subsequent NOFAs if Round 4 is undersubscribed.

For a listing by County of available NCA funds and all application forms, look under the heading "Current NOFAs" at: [https://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml#funds.](https://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml#funds)

5. Site Control

The Development Sponsor, or an entity controlled by the Development Sponsor, must have site control of the proposed Rental Housing Development that meets the requirements of the UMR Section 8303. At the time of application, documented site control shall be for a period no shorter than through the anticipated date of the award of NPLH funds by HCD as set forth in Section I.D of this NOFA.

6. Maximum Award Amounts and Per-Unit Subsidy Limits

The maximum award amount per Project, including all eligible capital and COSR costs, shall be $20 million, including Competitive Allocation funds and any NCA funds awarded by HCD to the Project. Funds from the County's NCA and the Competitive Allocation may be used in the same multifamily Project or on the same NPLH Assisted Units, as long as HCD's NPLH per-Unit subsidy limits are not exceeded.

7. Capital Per-Unit Limits

Counties and Project Development Sponsors should consult the NPLH per-Unit subsidy limits table for **9 percent tax credit Projects**, and **Projects without 9 percent tax credits** for the current capital per-Unit subsidy limits based on the Area Median Income (AMI) levels being targeted, and the number of bedrooms per unit. NPLH per subsidy limits are located at: http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml. The NPLH capital per-Unit subsidy limits begin on page 161 of the current year "MTSP Regular Income, Rent and VHHP Loan Limits" document hyperlinked above.

8. COSR Per-Unit Limits

The COSR per-Unit subsidy limit for all Projects is the same. For Projects funded under Round 4, this per-Unit limit is $193,991.

The per-Unit capital and COSR amounts listed above are maximum amounts available. The actual amount that a Project receives is subject to the individual Project underwriting performed prior to the award of funds and at loan closing. The Universal Rental Project application form contains a COSR calculation worksheet that calculates the amount of each Project's COSR consistent with COSR underwriting requirements in Section 209 of the Guidelines.

9. Stacking of Funds

HCD's "stacking rule" governs when Projects can and cannot layer two or more HCD funding sources to provide rental housing capital on the same Units.

Pursuant to Administrative Notice Number 21-06, a maximum of four HCD Funding Sources comprised of no more than two development loans and two housing-related infrastructure grants may now be used on a single Project. Housing- related infrastructure grants are those grants provided through the Affordable Housing Sustainable Communities program - Housing Related Infrastructure (HRI) grants, Transit Oriented Development program - Infrastructure grants, and Infill Infrastructure Grant program grants.

The funding limits set forth above shall not include HCD funds awarded for purposes other than capital improvements, such as loans or grants for non-housing related infrastructure, transit amenities, programs, or rental and operating subsidies; therefore, for example, putting HCD-funded rental housing capital amounts and HCD-funded rental subsidy or operating subsidy on the same Unit(s) is still permissible. See Administrative Notice Number 21-06 for further information.

10. Financial Feasibility

Projects shall meet the underwriting requirements of HCD's UMRs, as well as the Occupancy, Income, Rent Limits, and Transition Reserve requirements discussed below. Where there is a difference between the UMRs and the NPLH program Guidelines, the provisions of the Guidelines shall prevail. See Sections 206, 207, and 208 of the Guidelines for more information.

11. Site and Unit Requirements

All Project sites must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated. Documentation of compliance with this requirement must be provided as set forth in the NPLH application forms.

All Project sites must be reasonably accessible to public transportation, shopping, medical services, recreation, schools, and employment in relation to the needs of the Project tenants and what is typically available in that County. Documentation of compliance with this requirement must be provided as set forth in the NPLH application forms.

Upon Project completion, all Assisted Units and other Units of the Project must be on a permanent foundation and must meet all applicable state and local requirements pertaining to rental housing, including, but not limited to, requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.

Upon Project completion, all Projects must be accessible to persons with disabilities pursuant to the requirements set forth under Section 213 (b) of the Guidelines.

12. Supportive Services

For a minimum of 20 years, Counties must commit to make mental health services available to the Project's NPLH tenants, and to coordinate the provision or referral to other services, including, but not limited to, substance use services.

As set forth in the HCD application form, the County shall include a Project-specific supportive services plan developed by the County in partnership with the Project Development Sponsor, supportive service providers, and the property manager.

Participation in available supportive services by NPLH tenants shall be voluntary. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. The supportive services plan must describe the services to be made available to NPLH tenants in a manner that is voluntary, flexible, and individualized, so that NPLH tenants may continue to engage with supportive services providers, even as the intensity of services needed may change. Adaptability in the level of services should support tenant engagement and housing retention.

See Section 203 of the Guidelines regarding supportive services that must be made available, as well as other required information pertaining to supportive services.

13. Tenant Selection

At least one person residing in each NPLH Assisted Unit must qualify as having a Serious Mental Disorder or as being a Seriously Emotionally Disturbed Child or Adolescent as defined under WIC Section 5600.3. That person must also be Homeless, Chronically Homeless, or At-Risk of Chronic Homelessness as defined under Section 101 of the Guidelines. Pursuant to Section 5849.9 of the WIC, Units funded with NCA funds shall prioritize persons with mental health supportive services needs who are Homeless or At-Risk of Chronic Homelessness

Tenant eligibility criteria must be satisfied prior to being referred to an NPLH Project. Referrals to NPLH Assisted Units shall be made through the local Coordinated Entry System (CES) for persons who are Chronically Homeless or Homeless. For persons At-Risk of Chronic Homelessness, CES or another comparable prioritization system based on greatest need shall be used. All referral protocol for NPLH Assisted Units must be developed in collaboration with the local Continuum of Care and implemented consistent with program requirements.

Projects shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction in accordance with practices permitted pursuant to Housing First practices set forth in WIC Section 8255, or other federal or state Project funding sources.

In addition, pursuant to 24 CFR 578.93 (c), recipients of Continuum of Care program funds are also required to follow HUD Affirmative Marketing requirements. HUD has provided additional mention of this requirement as it relates to implementation of a Coordinated Entry System in CPD Notice 17-01. This Notice provides that recipients of CoC Program funds must affirmatively market their housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or disability who are least likely to apply in the absence of special outreach, and maintain records of those marketing activities. Housing assisted by HUD and made available through the CoC must also be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status in accordance with 24 CFR 5.105 (a)(2).

See Section 211 of the Guidelines for more information regarding tenant selection requirements.

14. Occupancy and Income Requirements

Total household income at time of move-in shall not exceed 30 percent of the County AMI. HCD has published the current income limits at 30 percent AMI and below. The NPLH income limits begin on page one of the current year “MTSP Regular Income, Rent and VHHP Loan Limits” hyperlinked in Item 7 above. Documentation requirements for income and tenant eligibility are referenced in Section 206 of the Guidelines.

Household income may increase above 30 percent AMI over time, and households above 30 percent AMI can continue to reside in their Units. Counties can also choose to continue offering supportive services to tenants residing in these Units. However, Units with household income above 30 percent AMI shall no longer be designated by HCD as NPLH Assisted Units, unless the reason for the increase in income was due to changes in the Supplemental Security Income/State Supplementary Payment (SSI/SSP) rate or cost of living adjustment. See Section 207 of the Guidelines for more information concerning changes in tenant income.

15. Rent Limits

At initial occupancy, tenant-paid Rents for NPLH Assisted Units shall be restricted to no more than 30 percent AMI or below, as specified in the Project regulatory agreement. HCD has published the current Rent limits at 30 percent AMI and below based on the County and the number of bedrooms Per-Unit. These limits begin on page 21 of the current year "MTSP Regular Income, Rent and VHHP Loan Limits" hyperlinked in Item 7 above.

Projects shall have a transition reserve in the event that any project-based rental assistance is not renewed, or in the event that the Project COSR is exhausted, and the Project cannot secure other sufficient rental or operating subsidies to continue without immediately raising Rents on the NPLH Assisted Units. The minimum amount of the transition reserve shall be the amount sufficient to prevent Rent increases for one year following the loss of the rental assistance or exhaustion of the COSR.

NPLH funds cannot be used to fund the transition reserve. The transition reserve may be capitalized from sources other than NPLH funds or funded from annual project cash flow in amounts to be approved by HCD. Withdrawal and the use of funds in the transition reserve shall be subject to HCD's prior review and written approval.

If Rent increases on the Assisted Units are necessary due to loss of rental or operating assistance, and after exhausting all transition reserve funds, rent increases will only be permitted to the minimum extent required for Fiscal Integrity, as determined by HCD. In no event shall Rents on Assisted Units be increased above the Rent limit for 60 percent AMI following the exhaustion of the transition reserve in the absence of other rental or operating subsidy to the Project.

See Section 207 of the Guidelines for more information on requirements related to the NPLH transition reserve.

16. Integration

All Projects must demonstrate integration in accordance with the requirements of Section 202 (e) of the Guidelines. To promote integration of NPLH tenants with other Project tenants, in Projects of greater than 20 Units, HCD will fund no more than 49 percent of a Project's Units as NPLH Units. This limitation shall not be interpreted to preclude occupancy of any Project Units by persons with disabilities, or restrictions by other funding sources, including, but not limited to, restrictions imposed by TCAC, that result in more than 49 percent of the total Project Units being restricted to persons with disabilities.

In addition, NPLH Assisted Units shall not be segregated in any manner from other units in the Project. Examples of prohibited forms of segregation include separation of the NPLH Units by assignment, partition, or restriction to separate floors, doors, common areas, legal parcels, or any other areas or portions of the building or of any affordable housing project of which the Project is comprised, or a part. Exceptions may be permitted under certain circumstances as set forth in Section 202 (e) of the Guidelines.

See Section 202 (e) of the Guidelines for additional integration requirements and further specification thereof .

17. Article XXXIV

All Projects shall comply with Article XXXIV, Section 1 of the California Constitution, as clarified by the Public Housing Election Implementation Law (HSC §§ 37000 - 37002). Article XXXIV documentation for loans underwritten by HCD shall be subject to review and approval by HCD prior to the announcement of award recommendations.

Article XXXIV requires local voter approval before any state public body can develop, construct, or acquire a low-rent housing Project in any manner. However, the Public Housing Election Implementation Law (HSC §§ 37000 – 37002) provides clarification as to when Article XXXIV is applicable. HSC Section 37001, for example, lists a number of Project types that are not considered “low-rent housing projects.”

Applicants must submit documentation that shows the Project’s compliance with or exemption from Article XXXIV. If a Project is subject to Article XXXIV, HCD requires an allocation letter from the locality that shows that there is Article XXXIV authority for the Project. A local government official with authority should prepare the allocation letter, and it should include the following:

a. The name and date of the proposition, and the number of Units that were approved;
b. A copy of the referendum and a certified vote tally;
c. The number of Units that remain in the locality’s “bank” of Article XXXIV authority (i.e., the number of Units that are still available for allocation); and
d. The number of Units that the locality will commit to this Project, including the manager Unit.

If a Project is statutorily exempt from Article XXXIV, HCD requires an Article XXXIV opinion letter from the Applicant’s legal counsel. The Article XXXIV opinion letter must demonstrate that the Applicant has considered both the legal requirements of Article XXXIV and the relevant facts of the Project (e.g., all funding provided by public bodies, including state, county, or city sources, the number of low-income restricted Units, and the general content of any regulatory restrictions). Any conclusion that a Project is exempt from Article XXXIV must be supported by facts and a specific legal theory for exemption that itself is supported by the Constitution, statute, and/or case law.

Whether or not a Project is statutorily exempt from Article XXXIV, the Project must still comply with limitations on the percentage of NPLH Units HCD can fund pursuant to the NPLH integration requirement discussed in Guidelines Section 202 (e).

HCD's stacking rule in Guidelines Section 200 (e) may also impact how Article XXXIV compliance using the "49 percent test" may be achieved.

18. Relocation

All persons who are displaced as a direct result of the development of an NPLH Project shall be entitled to relocation benefits and assistance as provided in California relocation assistance law (GC § 7260 et seq., CCR Title 25, § 6000 et seq.).

A relocation plan conforming to the provisions of CCR Title 25, Section 6038 shall be prepared. The relocation plan or other relocation documentation shall be subject to the review and approval by HCD prior to the beginning of any construction or activity that will result in displacement.

If the Applicant determines that relocation requirements are not applicable to the Project, the application must explain and document why relocation does not apply. Additional certifications to this effect may also be requested by HCD.

19. State Prevailing Wages

Funds awarded under this NOFA are subject to California prevailing wage law (Labor Code, §§ 1771, 1720-1781), and require the payment of prevailing wages unless the Project meets one of the exceptions of Labor Code Section 1720. Each Applicant shall be responsible for determining, on a case-by-case basis, the extent of applicability of state prevailing wage law to its individual Project. If applicable, prior to the close of the program loan, the Development Sponsor shall provide to HCD a written certification that prevailing wages have been paid, or will be paid, and that the records shall be available consistent with the requirements of this subsection. Applicants are encouraged to seek professional advice as to how to comply with state prevailing wage law.

B. Competitive Allocation Application Review Process

The application review process consists of three phases: initial threshold review, rating and ranking, and Project feasibility review.

1. Initial Threshold Review

During the initial threshold review, applications will be evaluated based solely upon the materials contained within the application to determine completeness and compliance with the following requirements to be evaluated at application stage as set forth in Section 202 of the Guidelines:

a) Eligible Applicant

b) Eligible use of funds

c) Experience of the Project team

d) Site control for a time period no shorter than through the anticipated NPLH award date as set forth under Section I.D. of this NOFA

e) Project integration

f) Compliance with Article XXXIV as discussed in section A.17 above

g) Application completeness, including submission of all required reports and other documents, including, but not limited to, the documents set forth in Guidelines Section 202 (h)

2. Application Scoring

If the total amount of funds requested in a County population group set forth in Appendix A exceeds the amount of funds available for that group, those applications will be scored based on the application selection criteria in Section 205 of the Guidelines unless HCD exercises the option to transfer sufficient funds from one or more undersubscribed County population groups to address the unmet demand, as permitted under Guidelines Section 204 (d)(6)(D).

In the event that one or more County population groups are oversubscribed and no funds transfer or an insufficient funds transfer is made within each oversubscribed County population group, the applications with the highest number of points shall be selected for funding, provided that all threshold and eligibility requirements are met. In the event of a tie between applications, funds will be awarded to the application with the highest overall readiness point score under Section 205 (d). If a second tiebreaker is needed, funds will be awarded to the application with the lowest per-Unit Total Development Cost pursuant to the calculation methodology under 25 CCR Section 8311.

A city receiving funds pursuant to the Bronzan-McCorquodale programs under WIC Section 5701.5 shall not be funded for more than one Project per funding round for a Competitive Allocation unless that Project is being submitted by the county in which that city is located within the county's own population group.

In addition, Projects located in these cities that do not receive maximum points in any of the application rating factors may receive a total of two additional points in the aggregate if the application was submitted through the county in which that city resides within the county's population group rather than by the city within its population group.

The Competitive Allocation application rating criteria in Section 205 of the Guidelines are summarized in the table below. Consult Sections 204 and 205 of the Guidelines for more information.

Rating Category	Maximum Points	Summary (See Section 205 of the Guidelines for more detail.)
Percentage of Total Project Units Restricted to the Target Population	65	Percentage of total Project Units restricted as NPLH Units, and use of CES, or use of an alternate system to refer persons At-Risk of Chronic Homelessness to NPLH Units
Leverage of Development Funding	20	Ratio of the capital (non-COSR) portion of the NPLH loan to other sources of committed development funding attributable to the NPLH Units. NCA funds may count as leveraged funds
Leverage of Rental or Operating Subsidies	35	Percentage of NPLH Units that have committed non-HCD project-based or sponsor-based subsidies with terms substantially similar to that of other project-based rental or operating assistance
Readiness to Proceed	50	Percentage of total construction and permanent financing committed; completion of all necessary environmental clearances; land use approvals

Extent of On-Site and Off-Site Supportive Services	20	Points for case management provided on-site at the Project, use of evidence-based practices to assist NPLH tenants to retain their housing; offering more services than required, and implementing resident involvement strategies
Past History of Evidence Based Practices	10	Points for prior experience of the lead service provider in implementing evidence-based practices recognized to lead to a reduction in homelessness, or other related use of evidenced-based practices to serve special needs populations

3. Financial Feasibility

In the event that one or more County population groups are oversubscribed, and no transfer of funds or an insufficient funds transfer is made to address unmet demand within each oversubscribed County population group, the highest scoring applications will be evaluated for financial feasibility in accordance with NPLH program requirements. If a funding round is undersubscribed, all applications meeting Project threshold requirements will be evaluated for financial feasibility. Financial feasibility requirements include, but are not limited to, the requirements referenced in Sections 206 through 209 of the program Guidelines. See Guidelines Section 208 for certain exceptions to the UMRs for NPLH.

C. Appeals

1. Basis of Appeals

a. Upon receipt of HCD's notice that an application has been determined to be incomplete or to have otherwise failed the threshold review, or lost points in scoring, applicants under this NOFA may appeal such decision(s) to HCD pursuant to this section.

b. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's eligibility, point score, award, denial of award, or any other matter related thereto.

c. The appeal process provided herein applies solely to decisions HCD made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

2. **Appeal Process and Deadlines**

To appeal a decision, Applicants must submit to HCD, by the deadline set forth in Subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. The Applicant must provide a detailed reference to the area(s) of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be accepted if this information would result in a competitive advantage to an Applicant.

Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter if the information would result in a competitive advantage to the Applicant.

Appeals must be received by HCD no later than five business days from the date of HCD's eligibility, threshold review, or preliminary point score determination letters, representing HCD's decision made in response to the application.

Appeals are to be submitted to HCD via email at NPLH@hcd.ca.gov with a copy to Tanya.Danna@hcd.ca.gov.

Appeal emails will be accepted as long as the email time stamp is no later than 5:00 p.m. Pacific Standard Time on the day of the appeal deadline.

3. **Decision**

Any appeal of HCD's decision shall be reviewed for compliance with the NPLH Guidelines in effect on the date of this NOFA, and any subsequent clarifying documents, such as the NPLH program's responses to "Frequently Asked Questions." It is HCD's intent to render its decision in writing within 15 business days of receipt of the Applicant's written appeal. All decisions rendered shall be final, binding, and conclusive and shall constitute the final action of HCD with respect to the appeal.

D. Financial Assistance Application Submittal Tool (FAAST) Application Components

The Competitive Allocation Project application consists of the following documents available on the NPLH Program website. Application materials must be submitted electronically via the FAAST system. Requirements for uploading the NPLH Application Workbooks and required supporting documentation and identified naming conventions are described in the materials provided with the NPLH Supplemental Application instructions.

1. **NPLH Supplemental Application** – This form contains information needed to evaluate application threshold compliance and rating for Projects of five or more Units underwritten by HCD. The program Supplement also contains information Counties must submit in order to utilize their Competitive Allocation funds.

2. **Universal Rental Project Application Form** – This form contains information needed to evaluate Project financial feasibility for Projects of five or more Units underwritten by HCD.

Project applications submitted under this NOFA will be funded on a competitive basis, as set forth in Section II. A. and B. above, subject to the availability of funds. HCD's NPLH application forms, program Guidelines, and application workshop information are available on the NPLH Program website.

Competitive Allocation funds and a County's NCA funds may be used in the same Project. Projects proposing to use both of these sources of NPLH funds must submit one Project application utilizing the Competitive Allocation application forms provided with this NOFA. See Section A.4. above for further information regarding use of NCA funds.

Modification of the application forms by the Applicant is prohibited. It is the Applicant's responsibility to ensure the application is clear, complete, and accurate. After the application has been submitted, HCD staff may request clarifying information to determine compliance with NPLH program requirements.

Application materials to HCD must be submitted electronically via the Financial Assistance Application Submittal Tool (FAAST) system no later than 5:00 p.m. Pacific Standard Time on January 19, 2022. HCD will no longer accept hardcopy submittals

E. Disclosure of Application to the Public

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Act) (GC § 6250 et seq.). As such, any materials provided may be disclosed to any person making a request under this Act. HCD cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality as to the submitted information, and consents to HCD's disclosure of such information upon a request under the Act.

F. Award Announcements and Contracts

Successful Applicants will enter into a Standard Agreement with HCD. The Standard Agreement contains all the relevant state requirements, as well as specific information about the award and the work to be performed.

HCD will enter into a regulatory agreement with the County Applicant and/or a separate Development Sponsor that will contain specific provisions governing Project operations in accordance with NPLH requirements. See Section 215 of the Guidelines for a description of these agreements.

A condition of award will be that a Standard Agreement(s) must be executed by the Awardee(s) within 90 days (Contracting Period) of the Awardees' receipt of the Standard Agreement(s). Failure to execute the Standard Agreement(s) within the Contracting Period may result in award cancellation. The Awardee(s) shall remain a party to the Standard Agreement(s) for the entire term of the Standard Agreement(s); removal of the Awardee(s) shall be prohibited.

The disbursement of funds pursuant to this NOFA is contingent on: (1) the sale of bonds by the California State Treasurer's Office and (2) the availability of proceeds of any such bond sales being made available to HCD for disbursement pursuant to all program requirements.

Questions can be directed to the NPLH email at NPLH@hcd.ca.gov.

APPENDIX A: ROUND 4 ALLOCATIONS

NPLH Formula Estimates for the Competitive Program								
	COUNTY	Pop Est. as of 1/1/2019	2019 PIT Count	% of PIT	ELI Renter Severe cost Burden	Formula Allocation	Adjustments	
Alternative Program							Amount of Alternative Process County Round 4 Funds Advanced in Round 2	Allocation For Round 4
1	Los Angeles	9,805,672	58,190	38.46%	409,700	$181,888,942	-$7,930,980	$173,957,962
2	San Diego	3,351,786	8,102	5.36%	94,480	$29,874,192		$29,874,192
3	San Francisco	883,869	8,035	5.31%	38,620	$22,934,093		$22,934,093
4	Santa Clara	1,954,286	9,706	6.42%	47,330	$27,786,022		$27,786,022
Total		**15,995,613**	**84,033**	**55.55%**	**590,130**	**$262,483,249**	**-$7,930,980**	**$254,552,269**

NPLH Formula Estimates for the Competitive Program								
	COUNTY	**Pop Est. as of 1/1/2019**	**2019 PIT Count**	**% of PIT**	**ELI Renter Severe cost Burden**	**Formula Allocation**	**Adjustments**	
Large Counties							**Adjustments from Round 3**	**Allocation For Round 4**
1	Alameda	1,545,973	6,914	4.57%	45,655	$21,244,077		$21,244,077
2	Contra Costa	1,155,879	2,295	1.52%	25,665	$8,328,871		$8,328,871
3	Fresno	1,018,241	2,248	1.49%	30,100	$8,761,104		$8,761,104
4	Kern	916,464	1,330	0.88%	21,175	$5,592,511		$5,592,511
5	Orange	3,222,498	6,860	4.53%	87,855	$26,249,545		$26,249,545
6	Riverside	2,440,124	2,811	1.86%	42,190	$11,508,380		$11,508,380
7	Sacramento	1,546,174	5,561	3.68%	51,720	$18,909,501		$18,909,501
8	San Bernardino	2,192,203	2,607	1.72%	49,605	$11,946,315		$11,946,315
9	San Joaquin	770,385	2,631	1.74%	17,285	$8,073,338		$8,073,338
10	San Mateo	774,485	1,512	1.00%	18,220	$5,646,602		$5,646,602
11	Ventura	856,598	1,669	1.10%	15,835	$5,713,204		$5,713,204
Total		**16,439,024**	**36,438**	**24.09%**	**405,305**	**$131,973,448**	**-$10,772,839**	**$121,200,609**

NPLH Formula Estimates for the Competitive Program								
	COUNTY	Pop Est. as of 1/1/2019	2019 PIT Count	% of PIT	ELI Renter Severe cost Burden	Formula Allocation	Adjustments	
Medium Counties							Adjustments from Round 3	Allocation For Round 3
1	Butte	226,466	1,266	0.84%	7,690	$3,808,548		$3,808,548
2	Marin	262,879	1,034	0.68%	7,175	$3,219,280		$3,219,280
3	Merced	282,928	608	0.40%	7,005	$2,231,516		$2,231,516
4	Monterey	445,414	2,422	1.60%	8,730	$6,559,280		$6,559,280
5	Placer	396,691	617	0.41%	6,505	$2,191,189		$2,191,189
6	San Luis Obispo	280,393	1,483	0.98%	8,400	$4,387,460		$4,387,460
7	Santa Barbara	454,593	1,803	1.19%	11,820	$5,529,516		$5,529,516
8	Santa Cruz	274,871	2,167	1.43%	8,670	$5,973,088		$5,973,088
9	Solano	441,307	1,151	0.76%	10,810	$3,926,611		$3,926,611
10	Sonoma	500,675	2,951	1.95%	11,060	$8,043,353		$8,043,353
11	Stanislaus	558,972	1,923	1.27%	12,380	$5,869,990		$5,869,990
12	Tri-Cities (Claremont, La Verne, Pomona)	224,022	746	0.49%	6,270	$2,455,488		$2,455,488
13	Tulare	479,112	819	0.54%	11,005	$3,196,600		$3,196,600
14	Yolo	222,581	655	0.43%	8,895	$2,567,884		$2,567,884
Total		**5,050,904**	**19,645**	**12.99%**	**126,415**	**$59,959,803**	**-$4,414,532**	**$55,545,271**

NPLH Formula Estimates for the Competitive Program								
	COUNTY	Pop Est. as of 1/1/2019	2019 PIT Count	% of PIT	ELI Renter Severe cost Burden	Formula Allocation	Adjustments	
Small counties							Adjustments from Round 3	Allocation For Round 3
1	Alpine	1,162	0	0.00%	8	Not Applicable 8% set aside per the Welfare and Institution Code Section 5849.8(c) exceeds proportional share of need per calculation in E71 and G71		
2	Amador	38,294	214	0.14%	530			
3	City of Berkeley	123,328	1,108	0.73%	7,200			
4	Calaveras	45,117	186	0.12%	670			
5	Colusa	22,117	57	0.04%	259			
6	Del Norte	27,401	184	0.12%	780			
7	El Dorado	191,848	613	0.41%	2,680			
8	Glenn	29,132	58	0.04%	890			
9	Humboldt	135,333	1,702	1.13%	4,570			
10	Imperial	190,266	1,413	0.93%	4,610			
11	Inyo	18,593	141	0.09%	284			
12	Kings	153,710	250	0.17%	3,290			
13	Lake	65,071	408	0.27%	2,005			
14	Lassen	30,150	46	0.03%	545			
15	Madera	159,536	260	0.17%	3,130			
16	Mariposa	18,068	60	0.04%	410			
17	Mendocino	89,009	785	0.52%	2,670			
18	Modoc	9,602	5	0.00%	220			
19	Mono	13,616	73	0.05%	79			
20	Napa	140,779	322	0.21%	2,175			
21	Nevada	98,904	415	0.27%	1,710			
22	Plumas	19,779	46	0.03%	315			
23	San Benito	62,296	282	0.19%	775			
24	Shasta	178,773	827	0.55%	4,740			
25	Sierra	3,213	12	0.01%	30			
26	Siskiyou	44,584	229	0.15%	1,505			
27	Sutter	97,490	293	0.19%	1,915			
28	Tehama	64,387	288	0.19%	1,300			
29	Trinity	13,688	81	0.05%	315			
30	Tuolumne	54,590	385	0.25%	1,145			
31	Yuba	77,916	428	0.28%	1,535			
Total		**2,217,752**	**11,171**	**7.38%**	**52,290**	**$39,514,478**	**$15,187,371**	**$54,701,849**
	State Total	**$39,703,293**	**151,287**	**$1**	**$1,174,140**		**Total Round 4 NOFA Amount**	**$485,999,998**

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

BY: **Kitha Torregano, Human Resources Manager**

SUBJECT: **Consideration of Resolution No. 628 Adopting Revised Classification and Salary Schedule to Comply with the New State Minimum Wage Requirements Effective January 1, 2022**

Summary:

Effective January 1, 2022 the State minimum wage requirement will increase to $15 an hour for all employers with 26 or more employees. To comply with the upcoming minimum wage requirement, staff has drafted one Salary Schedule document that will include all agency job classifications, pay grades and salary ranges, as well as reflect the minimum wage increase.

Background:

The State minimum wage requirement will increase to $15 an hour effective January 1, 2022. Therefore, staff is requesting only to revise, at this time, the current Non-Exempt, N1 Pay Grade by replacing the base minimum hourly rate of $14.4200 with the new minimum rate of $15.0000 (from Pay Grade N1 Salary Range of $14.4200 - $17.3040) to comply with the State minimum wage requirement.

Fiscal Impact:

None, as this change will only impact five staff who will need to be brought up to the new minimum wage this budgeted fiscal year.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 628 establishing a revised Classification and Salary Schedule for Tri-City Mental Health Authority effective January 1, 2022 to comply with California's new minimum wage requirements.

Attachments

Attachment 8-A: Resolution No. 628-DRAFT

Attachment 8-B: TCMHA Classification & Salary Schedule Effective 01012022

RESOLUTION NO. 628

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED SALARY SCHEDULE EFFECTIVE JANUARY 1, 2022 TO COMPLY WITH NEW STATE MINIMUM WAGE REQUIREMENTS

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

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

A. Tri-City Mental Health Authority ("Authority" or "TCMHA") desires to revise its Salary Schedule to comply with State minimum wage requirements beginning on January 1, 2022.

B. There are no salary range increases being proposed at this time, and only a few staff will be affected by this minimum wage requirement; therefore, this change will not impact the overall budget.

2. Action

The Governing Board approves and establishes the Authority's revised Classification and Salary Schedule effective January 1, 2022 to comply with the new State Minimum Wage requirements, as shown in 'Exhibit A' attached herein.

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 15, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

By:______________________________

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:______________________________

ATTACHMENT 8-A

TRI-CITY MENTAL HEALTH AUTHORITY
CLASSIFICATION AND SALARY SCHEDULE
EFFECTIVE January 1, 2022

EXHIBIT A

Job Title	Job Classification	Pay Grade	Salary Rate	Salary Range Minimum	25th%	Mid	75th%	Maximum
Housing Wellness Advocate I	Non-Exempt	N1	Annual	$ 31,200.00	$ 32,398.08	$ 33,596.16	$ 34,794.24	$ 35,992.32
Master of Social Work (MSW) Intern			Monthly	$ 2,600.00	$ 2,699.84	$ 2,799.68	$ 2,899.52	$ 2,999.36
Wellness Advocate I			Hourly	$ 15.0000	$ 15.5760	$ 16.1520	$ 16.7280	$ 17.3040
Clinical Wellness Advocate I	Non-Exempt	N2	Annual	$ 32,997.10	$ 35,472.08	$ 37,947.05	$ 40,422.03	$ 42,897.00
Housing Wellness Advocate II			Monthly	$ 2,749.76	$ 2,956.01	$ 3,162.25	$ 3,368.50	$ 3,574.75
Medical Assistant			Hourly	$ 15.8640	$ 17.0539	$ 18.2438	$ 19.4337	$ 20.6236
Program Support Assistant I								
Wellness Advocate II								
Clinical Wellness Advocate II	Non-Exempt	N3	Annual	$ 36,297.80	$ 39,019.92	$ 41,742.03	$ 44,464.15	$ 47,186.26
Community Garden Farmer			Monthly	$ 3,024.82	$ 3,251.66	$ 3,478.50	$ 3,705.35	$ 3,932.19
Community Navigator I			Hourly	$ 17.4509	$ 18.7596	$ 20.0683	$ 21.3770	$ 22.6857
Facilities Maintenance Technician I								
Housing Wellness Advocate III								
Program Support Assistant II								
Wellness Advocate III								
Clinical Wellness Advocate III	Non-Exempt	N4	Annual	$ 39,926.92	$ 42,921.44	$ 45,915.96	$ 48,910.48	$ 51,905.00
Community Navigator II			Monthly	$ 3,327.24	$ 3,576.79	$ 3,826.33	$ 4,075.87	$ 4,325.42
Human Resources Assistant			Hourly	$ 19.1956	$ 20.6353	$ 22.0750	$ 23.5147	$ 24.9543
Mental Health Worker								
Program Support Assistant III								
Facilities Maintenance Technician II	Non-Exempt	N5	Annual	$ 43,919.62	$ 47,213.72	$ 50,507.83	$ 53,801.94	$ 57,096.05
Program Support Assistant IV			Monthly	$ 3,659.97	$ 3,934.48	$ 4,208.99	$ 4,483.50	$ 4,758.00
Psychiatric Technician I			Hourly	$ 21.1152	$ 22.6989	$ 24.2826	$ 25.8663	$ 27.4500
Residential Services Coordinator								
Human Resources Technician	Non-Exempt	N6	Annual	$ 48,312.13	$ 51,935.48	$ 55,558.84	$ 59,182.19	$ 62,805.55
Psychiatric Technician II			Monthly	$ 4,026.01	$ 4,327.96	$ 4,629.90	$ 4,931.85	$ 5,233.80
Mental Health Specialist			Hourly	$ 23.2270	$ 24.9690	$ 26.7110	$ 28.4530	$ 30.1950
Administrative Assistant	Non-Exempt	N7	Annual	$ 53,142.90	$ 57,128.73	$ 61,114.55	$ 65,100.38	$ 69,086.21
Facilities Maintenance Technician, Senior			Monthly	$ 4,428.58	$ 4,760.73	$ 5,092.88	$ 5,425.03	$ 5,757.18
Senior Mental Health Specialist			Hourly	$ 25.5495	$ 27.4657	$ 29.3820	$ 31.2983	$ 33.2145
Information Technology Specialist I								
Psychiatric Technician III								
Mental Health Specialist Coordinator	Non-Exempt	N8	Annual	$ 58,456.97	$ 62,841.24	$ 67,225.52	$ 71,609.79	$ 75,994.06
			Monthly	$ 4,871.41	$ 5,236.77	$ 5,602.13	$ 5,967.48	$ 6,332.84
			Hourly	$ 28.1043	$ 30.2121	$ 32.3200	$ 34.4278	$ 36.5356
Accountant	Exempt	S2	Annual	$ 52,419.05	$ 58,971.30	$ 65,523.54	$ 72,075.79	$ 78,628.03
Certified Substance Abuse Counselor			Monthly	$ 4,368.25	$ 4,914.27	$ 5,460.30	$ 6,006.32	$ 6,552.34
Communications Coordinator			Hourly	$ 25.2015	$ 28.3516	$ 31.5017	$ 34.6518	$ 37.8019
Field Capable CSW I								
Program Support Supervisor								
Information Technology Specialist II	Non-Exempt	N9	Annual	$ 64,302.64	$ 69,125.39	$ 73,948.15	$ 78,770.69	$ 83,593.45
			Monthly	$ 5,358.55	$ 5,760.45	$ 6,162.35	$ 6,564.22	$ 6,966.12
			Hourly	$ 30.9147	$ 33.2334	$ 35.5520	$ 37.8705	$ 40.1892
Accountant, Senior	Exempt	S3	Annual	$ 56,702.82	$ 65,208.30	$ 73,713.78	$ 82,219.26	$ 90,724.73
Clinical Therapist I			Monthly	$ 4,725.24	$ 5,434.03	$ 6,142.81	$ 6,851.60	$ 7,560.39
Community Capacity Organizer			Hourly	$ 27.2610	$ 31.3501	$ 35.4393	$ 39.5285	$ 43.6177
Community Mental Health Trainer								
Field Capable CSW II								
Housing Supervisor								
Human Resources Analyst								
Medication Support Services Supervisor								
MHSA Wellbeing Specialist								
Nurse Practitioner I								
Program Analyst I								
Compliance Administrator								
Diversity & Inclusion Coordinator								
Quality Improvement Specialist I								
	Non-Exempt	N10	Annual	$ 70,732.84	$ 77,082.91	$ 83,432.77	$ 89,782.63	$ 96,132.49
			Monthly	$ 5,894.40	$ 6,423.58	$ 6,952.73	$ 7,481.89	$ 8,011.04
			Hourly	$ 34.0062	$ 37.0591	$ 40.1119	$ 43.1647	$ 46.2175
Clinical Therapist II	Exempt	S4	Annual	$ 63,790.81	$ 73,359.27	$ 82,927.73	$ 92,496.18	$ 102,064.64
Employment Outreach Supervisor			Monthly	$ 5,315.90	$ 6,113.27	$ 6,910.64	$ 7,708.02	$ 8,505.39
Facilities Coordinator			Hourly	$ 30.6687	$ 35.2689	$ 39.8691	$ 44.4693	$ 49.0695
MHSA Program Coordinator								
MHSA Well Being Supervisor								
Program Analyst II								
Psychologist I								
Quality Improvement Specialist II								
Supplemental Crisis Services Clinician								

TRI-CITY MENTAL HEALTH AUTHORITY
CLASSIFICATION AND SALARY SCHEDULE
EFFECTIVE January 1, 2022

Job Title	Job Classification	Pay Grade	Salary Rate	Salary Range Minimum	25th%	Mid	75th%	Maximum
Clinical Supervisor I Facilities Manager MHSA Program Supervisor Nurse Practitioner II Program Supervisor I Program Analyst III Psychologist II Senior Human Resources Analyst Information Technology Service Desk and Project Supervisor Support Systems Manager WET Supervisor	Exempt	S5	Annual Monthly Hourly	$ 71,764.11 $ 5,980.34 $ 34.5020	$ 82,528.73 $ 6,877.39 $ 39.6773	$ 93,293.35 $ 7,774.45 $ 44.8526	$ 104,057.97 $ 8,671.50 $ 50.0279	$ 114,822.58 $ 9,568.55 $ 55.2032
Accounting Manager Clinical Supervisor II Crisis Intervention and Medication Support Manager Housing Manager Joint Powers Authority (JPA) Administrator/Clerk Mental Health Services Act (MHSA) Projects Manager Occupational Therapist Program and Outcomes Analyst Supervisor Program Supervisor II Information Technology System Administrator and Security Officer Quality Improvement Supervisor Revenue/Billing Manager Wellness Advocate Manager Wellness Center Manager	Exempt	S6	Annual Monthly Hourly	$ 82,529.56 $ 6,877.46 $ 39.6777	$ 94,908.82 $ 7,909.07 $ 45.6292	$ 107,288.09 $ 8,940.67 $ 51.5808	$ 119,667.36 $ 9,972.28 $ 57.5324	$ 132,046.63 $ 11,003.89 $ 63.4840
Clinical Program Manager Controller Human Resources Manager	Exempt	S7	Annual Monthly Hourly	$ 92,844.65 $ 7,737.05 $ 44.6369	$ 106,771.57 $ 8,897.63 $ 51.3325	$ 120,698.49 $ 10,058.21 $ 58.0281	$ 134,625.40 $ 11,218.78 $ 64.7238	$ 148,552.32 $ 12,379.36 $ 71.4194
Manager of Best Practices	Exempt	S8	Annual Monthly Hourly	$ 102,129.45 $ 8,510.79 $ 49.1007	$ 117,448.86 $ 9,787.41 $ 56.4658	$ 132,768.28 $ 11,064.02 $ 63.8309	$ 148,087.70 $ 12,340.64 $ 71.1960	$ 163,407.11 $ 13,617.26 $ 78.5611
Chief Compliance Officer Director of MHSA and Ethnic Services Chief Information Officer	At-Will	S9	Annual Monthly Hourly	$ 112,459.92 $ 9,371.66 $ 54.0673	$ 129,328.91 $ 10,777.41 $ 62.1774	$ 146,197.90 $ 12,183.16 $ 70.2874	$ 163,066.88 $ 13,588.91 $ 78.3975	$ 179,935.87 $ 14,994.66 $ 86.5076
Chief Clinical Officer Chief Financial Officer Chief Operations Officer/HIPAA Privacy Officer	At-Will	S10	Annual Monthly Hourly	$ 129,329.18 $ 10,777.43 $ 62.1775	$ 148,728.61 $ 12,394.05 $ 71.5041	$ 168,128.05 $ 14,010.67 $ 80.8308	$ 187,527.48 $ 15,627.29 $ 90.1574	$ 206,926.91 $ 17,243.91 $ 99.4841
Psychiatrist I	Exempt	S11	Annual Monthly Hourly	$ 161,661.75 $ 13,471.81 $ 77.7220	$ 191,084.15 $ 15,923.68 $ 91.8674	$ 220,506.54 $ 18,375.54 $ 106.0128	$ 249,928.93 $ 20,827.41 $ 120.1581	$ 279,351.33 $ 23,279.28 $ 134.3035
Psychiatrist II	Exempt	S12	Annual Monthly Hourly	$ 173,785.92 $ 14,482.16 $ 83.5509	$ 206,916.62 $ 17,243.05 $ 99.4791	$ 240,047.32 $ 20,003.94 $ 115.4074	$ 273,178.02 $ 22,764.84 $ 131.3356	$ 306,308.72 $ 25,525.73 $ 147.2638
Psychiatrist III	Exempt	S13	Annual Monthly Hourly	$ 210,587.25 $ 17,548.94 $ 101.2439	$ 242,175.33 $ 20,181.28 $ 116.4304	$ 273,763.42 $ 22,813.62 $ 131.6170	$ 305,351.51 $ 25,445.96 $ 146.8036	$ 336,939.60 $ 28,078.30 $ 161.9902
Executive Director Medical Director	Contract At-Will	S14	Annual Monthly Hourly	$ 232,281.61 $ 19,356.80 $ 111.6739	$ 264,220.34 $ 22,018.36 $ 127.0290	$ 296,159.06 $ 24,679.92 $ 142.3842	$ 328,097.78 $ 27,341.48 $ 157.7393	$ 360,036.50 $ 30,003.04 $ 173.0945

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse Duff, Interim Executive Director**

BY: **Natalie Majors-Stewart, Chief Compliance Officer**

SUBJECT: **Consideration of Resolution No. 629 Establishing Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, Effective December 15, 2021**

Summary:

The development of new policies is essential in order to set expectations and ensure compliance with the most current regulations, internal processes, standards of care, and best practices. Policy and Procedure No. VII.9 - Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements - has been developed and drafted to officially document the policies and procedures for the use of Client and Participant Services and Supports Funds.

Background:

The Welfare and Institutions Code: Division 5. Community Mental Health Services and California Code of Regulations: Title 9, Division 1 Chapter 14 outline standards for the use of funds and provision of services by county mental health programs.

The Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9 - formally documents the policies and procedures that guide requirements for requesting, approving, and using Client and Participant Services and Supports Funds. The new draft policy is included as *Attachment 9-B* for Governing Board review and approval.

Funding:

No new funding is required. Existing funds will continue to be allocated for CPSS funds in accordance with regulation and agency policy. CPSS fund allocations will continue to be established and recommend by the Chief Financial Officer, the Director of MHSA, and the Chief Clinical Officer, and included in the annual operating budget.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 629 Establishing Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, Effective December 15, 2021.

Attachments:

Attachment 9-A: Resolution No. 629 – DRAFT

Attachment 9-B: Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, Effective 12-15-2021.

RESOLUTION NO. 629

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ESTABLISHING THE AUTHORITY'S CLIENT AND PARTICIPANT SERVICES AND SUPPORTS FUNDS: REQUESTS, APPROVALS, AND DISBURSEMENTS POLICY AND PROCEDURE NO. VII.9, EFFECTIVE DECEMBER 15, 2021

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 ("TCMHA" or "Authority") wishes to establish a policy to formally document the policies and procedures for requesting, approving, and using Client and Participant Services and Supports (CPSS) Funds.

B. The Authority, through the Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, will be in compliance with Title 9 of the California Code Regulations, Division 1, Chapter 14, which specify the standards and requirements for the use of funds and provision of services by county mental health programs.

2. Action

The Governing Board approves the Authority's Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, effective December 15, 2021.

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 15, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

By:______________________________

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By:______________________________

ATTACHMENT 9-A

POLICY & PROCEDURE

SUBJECT: Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements	POLICY NO.: VII.9	EFFECTIVE DATE: 12/15/2021	PAGE: **1** of **8**
APPROVED BY: Governing Board Executive Director	SUPERCEDES: New	ORIGINAL ISSUE DATE: 12/15/2021	RESPONSIBLE PARTIES: Chief Financial Officer Chief Clinical Officer Director of MHSA

1. PURPOSE

To establish guidelines, requirements, and procedures for requesting, approving, and using CPSS Funds - Client and Participant Services and Supports Funds.

2. DEFINITIONS

2.1 **Client:** An individual of any age who is receiving or has received mental health services. For the purposes of this policy, the term "client" includes those who refer to themselves as clients, participants, consumers, survivors, patients or ex-patients (9 CCR § 3200.04).

2.2 **CPSS Funds:** Designated funds that are used to cover cost for necessary services and supports for clients and participants, in order to meet immediate needs and support the mental health recovery. CPSS funds include: FSP (Flex) Funds, Program-Based Client Expense Funds, and Special Project Funds. Refer to Exhibit A, for more detail on CPSS fund types.

2.3 **Full-Service Partnership (FSP):** The collaborative relationship between the County (or Mental Health Authority) and the client, and when appropriate the client's family, through which the County (or Mental Health Authority) and plans for and provides the full spectrum of community services so that the client can achieve the identified goals. (9 CCR § 3200.130).

2.4 **Services and Supports:** Services, treatments, or resources that are intended to meet immediate needs and to support the mental health recovery of clients and participants. Services and supports may be mental health specific or non-mental health specific, and can include: housing, employment, education, and integrated treatment of co-occurring mental illness and substance abuse disorders.

2.4.1 <u>Mental health services and supports (Include, but are not limited to):</u> Mental health treatment; Peer support; Supportive services to assist the client, and when appropriate the client's family, in obtaining and maintaining employment, housing, and/or education; Wellness centers; Alternative treatment and culturally specific treatment approaches; Personal service coordination/case management to assist the client, and when appropriate the client's family, to access needed medical, educational, social, vocational rehabilitative and/or other community services; Needs assessment; ISSP development; Crisis intervention/ stabilization services; Family education services. (9 CCR § 3620).

2.4.2 <u>Non-mental health services and supports</u>: The non-mental health services and supports that are part of the Full Spectrum of Community Services. These services and supports are necessary to address the needs of the client, and when appropriate the client's family, in order to advance the client's goals and achieve outcomes that support the client's recovery, wellness and resilience. These services and supports include, but are not limited to: Food; Clothing; Housing, including, but not limited to, rent subsidies, housing vouchers, house payments, residence in a drug/alcohol rehabilitation program and transitional and temporary housing; Cost of health care treatment; Cost of treatment of co-occurring conditions, such as substance abuse; Respite care. (9 CCR § 3620).

3. POLICY

3.1 TCMHA shall budget & designate funds, as available, to cover the cost for Mental Health and Non-Mental Health Services and Supports for TCMHA clients and participants (CPSS Funds).

3.2 Budget amounts and funding allocations for CPSS funds shall be established and recommend by the Chief Financial Officer, the Director of MHSA, and the Chief Clinical Officer, and included in the annual operating budget.

3.3 CPSS Funds is not an automatic entitlement for clients and participants. CPSS funds shall be disbursed based on availability, eligibility, and approval.

3.3.1 Contingent on the above (3.3), CPSS funds shall be made available to TCMHA clients and participants of all ages, ethnicities, cultures and conditions.

3.4 CPSS Funds shall be used in a manner that is clearly tied to the client's/participant's treatment and/or program goals.

3.5 CPSS Funds shall be utilized in the most prudent and economic manner as possible.

3.6 CPSS Funds shall be used under special circumstances and as a last resort (after exhausting other available resources). Solutions such as: government programs & resources, individual/family's personal resources, donations, community service programs, etc., should be considered first, to meet needs.

3.7 CPSS Funds shall be requested and approved via a standardized agency procedure that is congruent with agency policy.

3.8 Requests for CPSS funds must be approved by the designated authority(s), prior to purchase, commitment of funds, or disbursement.

3.9 CPSS funds shall NOT be used for non-allowed items (Exhibit C).

3.10 CPSS funds must be approved and disbursed in accordance with the Maximum Limits for CPSS Funds (Exhibit B).

3.10.1 Requests for CPSS funds shall undergo a *Specialized CPSS Fund Review* if a client or participant has or will exceed the maximum limits, prior to the disbursement of any additional funds.

3.11 CPSS funds shall be disbursed directly to the identified and approved workforce members or to the vendors who are providing the service or support for the client.

3.11.1 CPSS funds shall NOT be disbursed directly to clients/participants.

3.11.2 When clinically appropriate and consistent with established policies, CPSS funds can be used to purchase gift cards that may be provided directly to clients/participants for small amounts (up to $20.00) and may be given to a client in emergency or special need situations.

3.12 Specialized CPSS Fund Review: A review committee (consisting of at least three agency director representatives) shall be assembled, in order to review, evaluate and make a final decision on CPSS fund requests that require a *Specialized CPSS Fund Review*. A specialized review is required in the following circumstances:

3.12.1 When a client or participant has exceeded or will exceed maximum limit for CPSS funds (Exhibit B).

3.12.2 When a client or participant expresses dissatisfaction with the outcome of a request for CPSS funds.

3.12.3 When any other need for a specialized review arises, in order to make an approval decision.

4. PROCEDURES

4.1 TCMHA workforce members will complete and submit requests for CPSS funds on the ‘Client and Participant Fund Request’ form.

4.1.1 Requests for less than $250.00 must be approved by a department Program Manager.

4.1.2 Requests for more than $250.00 must be approved by a department Program Manager -AND/OR- a department Director.

4.1.3 Emergency requests for CPSS funds can be authorized with supervisor level approval, only if the request is for: 1) emergency food, 2) emergency shelter or 3) other emergency safety need -AND- the request is either: a) less than $100 dollars or b) for an Emergency Motel Voucher of up to 7 days (see agency emergency motel voucher protocol).

4.2 The approval or denial of a request for CPSS funds shall consider the following:

4.2.1 There are funds available for the requested fund type. (Exhibit A)

4.2.2 The client or participant meets eligibility requirements for the requested funding type. (Exhibit A)

4.2.3 The client or participant has not reached/exceeded maximum limits for CPSS funds. (Exhibit B)

4.2.4 The request is not for an non-allowed item. (Exhibit C)

4.2.5 There is a clearly established need for the service/support -AND- the service/support is aimed to address the overall safety, stability, well-being and mental health of the client/participant.

4.2.6 The service or support is aligned with treatment goals as identified in the Treatment Plan or ISSP (for Specialty mental health service clients), or program plan of care (for MHSA and special project participants).

4.2.7 The service or support is consistent with program goals and promotes inclusive and equitable service delivery.

4.2.8 The client/participant lacks sufficient funds or resources to secure the needed service or support.

4.2.9 Other appropriate resources have been exhausted, and there are no other internal or external resources available to meet the need.

4.2.10 The amount requested is reasonable and comparable to fair market costs for the identified service and support. (The LACDMH *Reasonable and Allowable Purchase Limits* can be referenced as a general guide - Reference 5.4)

4.3 Tri-City workforce members must submit both of the following documents to the finance department, for processing and disbursement of CPSS fund.

4.3.1 A completed and approved ‘Client and Participant Fund Request’ form.

4.3.2 A completed and approved ‘Purchase Requisition’ form OR ‘Petty Cash’ form (petty cash max for CPSS is $100.00).

4.4 Tri-City workforce members will ensure that all relevant documents (i.e.: receipts or invoices) are forwarded to the finance department as soon as possible.

4.5 Tri-City workforce members will ensure that a record and accounting of all approvals, records of funds disbursed, and invoices/receipts is maintained by the requesting department and the finance department, based on agency purchasing policies and departmental protocols.

5. REFERENCES

5.1 Welfare and Institutions Code: Division 5 > Community Mental Health Services

5.2 California Code of Regulations: Title 9 CCR Division 1 > Chapter 14:
- 5.2.1 Article 2: Definitions
- 5.2.2 Article 4: § 3400. Allowable Costs and Expenditures.
- 5.2.3 Article 6: § 3610 General Community Services and Supports Requirements.
- 5.2.4 § 3615. Community Services and Supports Service Categories.
- 5.2.5 § 3620 Full Service Partnership Service Category

5.3 Tri-City Mental Health Authority Policy and Procedures:
- 5.3.1 Purchasing – No. IX.1
- 5.3.2 Full Service Partnership (FSP) Services – No. IV.12

5.4 County of Los Angeles – Department of Mental Health: Mental Health Services Act (MHSA) Full Service Partnership (FSP) Guidelines

Exhibit A

CPSS Fund Types

A. CSS FSP (Flex) Funds: Funds allocated, based on 9 CCR §3610 & §3620, to be used to pay for the full spectrum of community services necessary to attain the goals identified in the client's ISSP - Individual Services and Supports Plan (treatment plan). These funds can be requested for any individual enrolled in an agency Full Service Partnership (FSP) Program (FSP-Child, FSP-TAY, FSP-Adult, or FSP-Older Adult).

B. Program-Based Client Expense Funds: Funds allocated to a particular program [i.e. MHSA Outreach and engagement Funds, Clinical 1991 Realignment Funds] that may be used to provide needed services and supports for a client. The use of these funds is based on regulatory requirements and program eligibility requirements.

C. Special Project Funds: Funds allocated as part of a particular project or grant. The use of these funds is based on requirements as specified by the project/grant.

SUBJECT: Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements	POLICY NO.:	EFFECTIVE DATE: 12/15/2021	PAGE: 7 of 8

Exhibit B

Maximum Limits for CPSS Funds

The annual maximum limits (by service/support category) is indicated in the table below. The total annual maximum dollar amount allowed per client/participant is $6,000.00, across all service/support types.

Service/Support Category	Service/Support limit per 12-months
Mental Health: Internal agency mental health support or interventions	10 disbursements or $2,000.00 (whichever is reach first)
Mental Health: External agency mental health support or interventions	2 disbursements or $2,000.00 (whichever is reach first) *A specialized CPSS fund review is required, if requested within in the first 60 days of Tri-City Program Enrollment*
Non-Mental Health: Emergency Shelter	2 disbursements or $2,000.00 (whichever is reach first) *Only $1000.00 can be used during first 60 days of Tri-City Program Enrollment*
Non-Mental Health: Non-Emergency Housing	2 approvals or $3,000.00 disbursed *A specialized CPSS fund review is required, if requested within in the first 60 days of Tri-City Program Enrollment*
Non-Mental Health: Associated Housing (i.e. Move-In Costs, Moving Costs, Insurance/Tax Fees, Minor Maintenance/Repairs, etc.)	2 approvals or $2,000.00 disbursed *A specialized CPSS fund review is required, if requested within in the first 60 days of Tri-City Program Enrollment*
Non-Mental Health: Household, Daily Living & Personal Care (i.e. Utilities, Household Items, Furniture, Appliances, Supplies, Clothing, Food, Transportation, etc.)	5 approvals or $2,000.00 disbursed *Only up to $500.00 can be used during first 60 days of Tri-City Program Enrollment*
Non-Mental Health: Other Health Care and Well-Being (i.e Treatment, Medical Procedures, Medications, Culturally appropriate healing methods	5 approvals or $2,000.00 disbursed *Only up to $500.00 can be used during first 60 days of Tri-City Program Enrollment*

Note: Annual maximums limits are based on a rolling 12-month period. Maximum limits cannot be exceeded without a Specialized CPSS Fund Review approval.

Exhibit C

Non-Allowed Expenses: CPSS funds cannot be used for the following items.

- Costs for staff to accompany clients to venues such as sporting events, concerts or amusement parks, etc.
- Gifts or Incentives
- Substances such as: Alcohol, Tobacco, Marijuana, etc.
- Illegal substances or activities
- Sexually explicit materials
- Medi-Cal Share of Cost
- Prescription medication that would otherwise be available via Indigent Medication/ Prescription Assistance programs
- Payments for any sanctions, assessments, or costs imposed by a court resulting from the conviction of a crime, infraction, or a violation
- Expenses to shift costs to pay indirectly for disallowed expenditures of funds. For example, paying a rent payment in order to free client funds to pay traffic fines
- No funds may be allocated to circumvent other policy or administrative rule
- Construction or rehabilitation of housing, facilities, buildings or offices
- Expenses related to purchasing land or buildings
- Capital development expenses such purchasing, building, and/or rehabilitating housing
- Vehicles for programs
- Units of Specialty Mental Health Service costs that are reported under Modes 05, 10, 15, or 45

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

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

SUBJECT: **Review of the Issuance of the Audited Financial Statements for Fiscal Year ended June 30, 2021**

Summary:

Eide Bailly, LLP has completed an audit of Tri-City's financial statements for the Fiscal Year ended June 30, 2021. 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, 2021.

Attachments:

Attachments 10-A: Audited Financial Statements for Fiscal Year ended June 30, 2021

Attachments 10-B: AU 260 Letter to the Governing Board

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED

JUNE 30, 2021 AND 2020

ATTACHMENT 10-A

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Tri-City Mental Health Authority (Tri-City), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Tri-City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-City, as of June 30, 2021 and 2020, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information
Accounting principles generally accepted in the United States of America require 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, 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 a report dated December 10, 2021 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, 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
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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 years ended June 30, 2021, and 2020 along with comparative information for fiscal years ended 2020 and 2019.

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 receive directly 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 2,889 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 current COVID-19 crisis, the clinical team 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 the past several years, Tri-City has 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. 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 and can be leveraged (as the match) for Medi-Cal reimbursement for services provided through FSP and other MHSA programs and 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 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, 2021, 2020 and 2019:

Statements of Net Position

	2021	2020	2019
Assets			
Current Assets	$ 40,898,818	$ 37,911,935	$ 37,848,529
Capital Assets, Net	7,045,153	7,246,110	7,278,515
Note Receivable	2,800,000	-	-
Other Assets	638,824	562,154	145,878
Total Assets	51,382,795	45,720,199	45,272,922
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	2,893,978	2,776,741	2,671,142
Total Deferred Outflows of Resources	2,893,978	2,776,741	2,671,142
Liabilities			
Current Liabilities	9,341,527	7,874,331	7,136,057
Noncurrent Liabilities (excluding Bankruptcy Liability and Net Pension Liability)	494,264	1,136,416	1,449,557
Net Pension Liability	6,325,906	5,462,528	4,658,577
Bankruptcy Liabilities	-	656,064	1,686,064
Total Liabilities	16,161,697	15,129,339	14,930,255
Deferred Inflows of Resources			
MHSA Revenues Restricted for Future Period	8,413,843	6,625,119	8,351,712
Deferred Inflows Related to Pensions	45,119	217,236	190,986
Total Deferred Inflows of Resources	8,458,962	6,842,355	8,542,698
Net Position			
Net Investment in Capital Assets	6,214,595	6,355,427	6,299,892
Restricted for MHSA Programs	19,082,210	16,204,681	15,119,523
Unrestricted	4,359,309	3,965,138	3,051,696
Total Net Position	$ 29,656,114	$ 26,525,246	$ 24,471,111

- **Total Assets** are comprised of cash, accounts receivable, capital assets and prepaid deposits.
  - *Comparison of June 30, 2021 to June 30, 2020*. At June 30, 2021, Tri-City reflected an increase in total assets of approximately $5.7 million. The most significant amounts attributing to the total increase in assets includes the increase in a note receivable related to an MHSA housing project of approximately $2.8 million and an increase in current assets of approximately $3.0 million. Total cash and investments at June 30, 2021 was approximately $34.9 million reflecting a net increase of approximately $3.8 million from the balance at June 30, 2020 of $31.1 million. The most significant reasons attributing to the overall increase in cash is due to delayed tax filings in the prior fiscal year which were received in the current year. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and in response to the COVID-19 crisis, in March of 2020 the California Franchise Tax Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020.

- *Comparison of June 30, 2020 to June 30, 2019*. At June 30, 2020, Tri-City reflected an increase in total assets of approximately $450 thousand. The most significant amounts attributing to the total increase in assets includes the increase in accounts receivable by approximately $900 thousand and an increase to prepaid deposits by approximately $416 thousand. These increases were offset by a decrease in total cash and restricted cash in the total approximate amount of $800 thousand. Total cash and investments at June 30, 2020 was approximately $31.1 million reflecting a decrease of approximately $800 thousand from the balance at June 30, 2019 of $31.9 million. The most significant reasons attributing to the overall decrease in cash includes the decrease experienced by Tri-City in MHSA and 1991 Realignment cash receipts as a direct result of the COVID-19 crisis. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and in response to the COVID-19 crisis, in March of 2020 the California Franchise Tax Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020. In addition, 1991 realignment, which is partly funded by sales tax also experienced a decline. These decreases were offset by the collection of Medi-Cal (FFP and EPSDT) payments throughout the year resulting from increases in services, in addition to the receipt of approximately $800 thousand in interim cost report settlements from LA DMH relating to various prior years. Total net capital assets decreased by approximately $32 thousand representing purchases of approximately $447 thousand less depreciation of approximately $479 thousand. The most significant capital purchases that occurred during fiscal 2020 included the purchase of 6 new vehicles and replacement of computers.

- **Deferred Outflows of Resources**

  - *Comparison of June 30, 2021 to June 30, 2020.* 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 $2,893,978 as Deferred Outflows of Resources at June 30, 2021 which reflects an increase of approximately $117 thousand 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 #9B).

  - *Comparison of June 30, 2020 to June 30, 2019.* 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 $2,776,741 as Deferred Outflows of Resources at June 30, 2020 which reflects an increase of approximately $106 thousand from the prior year. The decrease is primarily due to the net difference between expected and actual earnings on pension plan investments and changes of assumptions (also refer to Note #9B).

- **Total Liabilities** are comprised of current and noncurrent liabilities, including long-term notes payable, bankruptcy liabilities, estimated third party payor settlements and unearned MHSA revenues.

- *Comparison of June 30, 2021 to June 30, 2020*. Total liabilities increased by approximately $1 million from $15.1 million at June 30, 2020 to $16.1 million at June 30, 2021.

  This total net change of approximately $1 million is made up several changes which included increases to accrued payroll liabilities, and accrued vacation and sick leave. The most significant decrease was due to the payments made of approximately $656 thousand to pay off the remaining bankruptcy liabilities (as further explained at Note #7 to the financial statements). In addition, the net pension liability (as more fully described at Note #9B of the financial statements), experienced an increase of approximately $863 thousand in fiscal year 2021. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2021 is $6,325,906. The increase to this liability from fiscal 2020, primarily was as a result of 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 Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) experienced a change from the prior year as a result approval of plans to utilize the Capital Facilities & Technology (CFTN) funds in fiscal year 2021-20. As noted at June 30, 2021 and at June 30, 2020, noncurrent unearned MHSA revenues were approximately $435 thousand and $276 thousand, respectively. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2021 and 2020 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 2021 and 2020, as a result of the review of existing MHSA programs and updates, approximately $8.4 million and $6.6 million in MHSA Revenues Restricted for Future Period was identified as approved and available to be spent in fiscal 2022 and 2021, respectively. In addition to noncurrent Unearned MHSA revenues and bankruptcy debt, noncurrent liabilities include the mortgage note payable and the City of Pomona HUD Loan. The mortgage note payable decreased by approximately $29 thousand due to the debt service payments made during the fiscal year and the City of Pomona HUD loan decreased by amounts forgiven by the City in accordance with the terms of the agreement.

  Lastly, the third largest liability in the amount of $5,599,629 for Estimated Third Party Payor Settlements increased by approximately $291 thousand from the prior year's amount of $5,308,377 as a result of noted increases in services provided during fiscal year 2020-21. As more fully described at Note #8, 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.

- *Comparison of June 30, 2020 to June 30, 2019*. Total liabilities increased by approximately $199 thousand from $15.1 million at June 30, 2019 to $15.3 million at June 30, 2020.

  This total net change of approximately $199 thousand is made up several changes which included increases to accrued payroll liabilities, and accrued vacation and sick leave. The most significant decrease was due to the payments made of approximately $1 million toward the remaining bankruptcy liabilities (as further explained at Note #7 to the financial statements). In addition, the net pension liability (as more fully described at Note #9B of the financial statements), experienced an increase of approximately $804 thousand in fiscal year 2020. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2020 is $5,462,528. The increase to this liability from fiscal 2019, primarily was as a result of 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 Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) experienced a change from the prior year as a result approval of plans to utilize the Capital Facilities & Technology (CFTN) funds in fiscal year 2020-21. As noted at June 30, 2020 and at June 30, 2019, noncurrent unearned MHSA revenues were approximately $276 thousand and $500 thousand, respectively. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2020 and 2019 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 2020 and 2019, as a result of the review of existing MHSA programs and updates, approximately $6.6 million and $8.4 million in MHSA Revenues Restricted for Future Period was identified as approved and available to be spent in fiscal 2021 and 2020, respectively. In addition to noncurrent Unearned MHSA revenues and bankruptcy debt, noncurrent liabilities include the mortgage note payable and the City of Pomona HUD Loan. The mortgage note payable decreased by approximately $29 thousand due to the debt service payments made during the fiscal year and the City of Pomona HUD loan decreased by amounts forgiven by the City in accordance with the terms of the agreement.

Lastly, the third largest liability in the amount of $5,308,377 for Estimated Third Party Payor Settlements increased by approximately $304 thousand from the prior year's amount of $5,003,822 as a result of noted increases in services provided during fiscal year 2019-20. As more fully described at Note #8, 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.

  - *Comparison of June 30, 2021 to June 30, 2020*. At June 30, 2021 and June 30, 2020 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of $8.4 million and $6.6 million, respectively. The increase of approximately $1.8 million was due to an overall increase of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2022. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and during March of 2020, the California Franchise Tax Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2021 and 2020 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 #9B, 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 $45,119 at June 30, 2021 and $217,236 at June 30, 2020 as Deferred Inflow of Resources, net of applicable amortization. The net decrease of approximately $172 thousand from fiscal 2020 to 2021 is primarily attributed to various actuarially determined amounts including changes in assumptions, and differences between expected and actual earnings on pension plan investments.

- *Comparison of June 30, 2020 to June 30, 2019*. At June 30, 2020 and June 30, 2019 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of $6.6 million and $8.4 million, respectively. The decrease of approximately $1.8 million was due to an overall decrease of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2021. As a direct result of the COVID-19 crisis, Tri-City experienced a decrease in the receipt of MHSA funds. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and during March of 2020, the California Franchise Tax Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2020 and 2019 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 #9B, 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 $217,236 at June 30, 2020 and $190,986 at June 30, 2019 as Deferred Inflow of Resources, net of applicable amortization. The net increase of approximately $26 thousand from fiscal 2019 to 2020 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, 2021*. Tri-City's net position at June 30, 2021 was approximately $29.7 million, which is the result of total assets of $51.4 million and total deferred outflow of resources of $2.9 million less total liabilities and deferred inflow of resources of $16.2 million and $8.5 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately $6.2 million (capital assets less the mortgage liability and the HUD Loan), Net Position Restricted for MHSA Programs of approximately $19.7 million, and Unrestricted Net Position of approximately $4 million. The decrease in Net Investment in Capital Assets of approximately $141 thousand was primarily due the purchase of vehicles and computer equipment offset by the annual depreciation. The increase of $2.9 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 $394 thousand, primarily as a result of an increase in Medi-Cal revenue. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with additionally staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided.

  - *At June 30, 2020*. Tri-City's net position at June 30, 2020 was approximately $26.5 million, which is the result of total assets of $45.7 million and total deferred outflow of resources of $2.8 million less total liabilities and deferred inflow of resources of $15.1 million and $6.8 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately $6.4 million (capital assets less the mortgage liability and the HUD Loan), Net Position Restricted for MHSA Programs of approximately $16.2 million, and Unrestricted Net Position of approximately $4 million. The increase in Net Investment in Capital Assets of approximately $56 thousand was primarily due the purchase of vehicles and computer equipment offset by the annual depreciation. The increase of $1.1 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 $900 thousand, primarily as a result of an increase in Medi-Cal revenue. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with additionally staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided. Additionally, as a direct result of the COVID-19 crisis, Tri-City experienced a decrease in 1991 Realignment revenue which was overall slightly offset by grant revenue (Measure H). Also, as previously mentioned, as a result of Tri-City's prior filing for bankruptcy in fiscal 2004 (as further explained at Note #7 to the financial statements), the total liabilities at June 30, 2020 include approximately $656 thousand in bankruptcy liabilities that remain outstanding.

The following table shows the change in net position during the fiscal years ended June 30, 2021, 2020, and 2019:

Statements of Revenues, Expenses and Changes in Net Position

	2021	2020	2019
Operating Revenues:			
Medi-Cal - Federal Financial Portion	$ 8,940,455	$ 7,971,864	$ 6,468,744
Medi-Cal - State EPSDT	1,933,454	1,933,454	1,551,847
Other Operating Income	371,992	175,862	204,952
Total Operating Revenue	11,245,901	10,081,180	8,225,543
Operating Expenses:			
Salaries, wages and benefits	20,186,648	18,714,663	16,177,693
Facility and equipment operating costs	1,957,187	1,944,282	1,609,948
Client lodging, transportation, and supply expense	1,888,764	1,705,795	897,076
Depreciation	574,026	479,571	429,994
Other operating expense	1,975,827	1,898,602	1,471,470
Total Operating Expenses	26,582,452	24,742,913	20,586,181
Operating Loss	(15,336,551)	(14,661,733)	(12,360,638)
Non Operating Revenues (Expenses), Net			
Realignment	4,095,068	3,776,200	4,407,019
MHSA Funding	13,523,788	12,130,482	11,235,575
Other Grants	131,778	-	-
HMIOT Grant	-	-	100,000
Measure H	490,792	152,258	-
Contributions from member cities	70,236	70,236	70,236
Interest income	156,875	560,171	589,014
Interest expense	(39,965)	(41,592)	(42,922)
Gain on sale of capital assets	9,410	9,239	-
Total Non Operating Revenues (Expenses)	18,437,982	16,656,994	16,358,922
Income Before Special Items	3,101,431	1,995,261	3,998,284
Special Items:			
City of Pomona HUD Loan forgivness of debt	29,437	58,874	-
Total Special Items	29,437	58,874	-
Change in Net Position	3,130,868	2,054,135	3,998,284
Net Position, Beginning of Year	26,525,246	24,471,111	20,472,827
Net Position, End of Year	$ 29,656,114	$ 26,525,246	$ 24,471,111

Fiscal Year 2021 to 2020 Comparisons

- **Operating Revenues** — Operating revenues increased approximately $1.2 million. This increase is primarily due to a net increase in Medi-Cal revenues, net of provision for doubtful accounts. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with additional staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided.

- **Operating Expenses** — Total operating expenses increased by approximately $1.8 million (7.4%) in fiscal 2021 as compared to fiscal 2020. This increase was mainly due to an increase in salaries and benefits costs of approximately $1.5 million. Along with normal annual wage increases, the increase of salaries and benefits is primarily due to an increase of active employees of approximately 4% resulting in an increase of approximately 4% of hours worked.

  Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses with increases in each of these in the amounts of $13 thousand, $183 thousand and $77 thousand, respectively. 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. As a direct result of the COVID-19 crisis, an increase in client lodging was experienced in order to provide temporary housing for clients. Additionally, the increased costs are also due to the Measure H Grant program which also provides housing. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses. The noted increase was primarily due to additional hours of security being provided at one of the buildings.

- **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 supplemental 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 $15.3 million in fiscal 2021 compared to $14.7 million in 2020. The increase in operating losses resulted primarily from higher operating expenses which included an increase of approximately $1.5 million in salaries and benefits expense.

- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately $18.4 million in fiscal 2021 and $16.6 million in fiscal 2020, an increase of approximately $1.8 million. This change is mainly due to the increase in MHSA funds recognized during fiscal 2020-21 by approximately $1.4 million and by the increase in 1991 Realignment by approximately $319 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 2020-21 MHSA update reflected a total increase in required MHSA funds primarily as a result of projected increased costs within the MHSA Approved 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 net position as of June 30, 2021 increased by approximately $1 million compared to fiscal year 2020. The total change in net position of $3.1 million for fiscal 2021 relates to operating revenues and non-operating revenues exceeding operating expenses. A net total increase to net position was experienced, the net change in position increased as compared to the prior year, primarily as a result of the increased MHSA and Medi-Cal revenues recognized. Additionally, 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 $2,160,072 of pension expense resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability.

Fiscal Year 2020 to 2019 Comparisons

- **Operating Revenues** — Operating revenues increased approximately $1.9 million. This increase is primarily due to a net increase in Medi-Cal revenues, net of provision for doubtful accounts. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with additional staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided.

- **Operating Expenses** — Total operating expenses increased by approximately $4.2 million (20%) in fiscal 2020 as compared to fiscal 2019. This increase was mainly due to an increase in salaries and benefits costs of approximately $2.5 million. Along with normal annual wage increases, the increase of salaries and benefits is primarily due to an increase of active employees of approximately 7% resulting in an increase of approximately 7% of hours worked. Additionally, in fiscal year 2018-19, Tri-City's Governing Board adopted Resolution No. 465 which authorized an updated compensation package which allowed for retention and sign-on bonuses to be paid in the amount of approximately $120 thousand dollars.

  Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses with increases in each of these in the amounts of $334 thousand, $809 thousand and $427 thousand, respectively. The increase in client lodging is primarily due to 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. As a direct result of the COVID-19 crisis, an increase in client lodging was also experienced in order to provide temporary housing for clients. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses. The noted increase was primarily due to additional hours of security being provided at one of the buildings.

- **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 supplemental 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 $14.7 million in fiscal 2020 compared to $12.4 million in 2019. The increase in operating losses resulted primarily from higher operating expenses which included an increase of approximately $2.5 million in salaries and benefits expense.

- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately $16.6 million in fiscal 2020 and $16.3 million in fiscal 2019, an increase of approximately $300 thousand. This change is mainly due to the increase in MHSA funds recognized during fiscal 2019-20 by approximately $894 thousand and offset by the decrease in 1991 Realignment by approximately $600 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 2019-20 MHSA update reflected a total increase in required MHSA funds primarily as a result of projected increased costs within the MHSA Approved Plans. Additionally, a decrease in 1991 realignment was experienced as a direct impact during the current COVID-19 crisis as 1991 realignment is funded through a combination of state vehicle license fees and sales tax.

- **Changes in Net Position —** Tri-City's net position as of June 30, 2020 decreased by approximately $1.9 million compared to fiscal year 2019. The total change in net position of $2.0 million for fiscal 2020 relates to operating revenues and non-operating revenues exceeding operating expenses. Although a net total increase to net position was experienced, the net change in position decreased as compared to the prior year, primarily as a result of the impact experienced by Tri-City during the current COVID-19 crisis. Increased expenses experienced by Tri-City have included temporary housing for clients, and the purchase of additional equipment for telecommuting. Additionally, 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 $2,053,110 of pension expense resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability.

Capital Asset and Debt Administration

	Capital Assets (Net of Depreciation)		
	2021	**2020**	**2019**
Land	$ 2,520,749	$ 2,520,749	$ 2,520,749
Buildings and improvement	3,915,145	4,225,258	4,559,199
Leasehold improvements	4,330	8,990	13,650
Furniture and equipment	604,929	491,113	184,917
Total	$ 7,045,153	$ 7,246,110	$ 7,278,515

Tri-City's investment in capital assets as of June 30, 2021 and June 30, 2020 totaled approximately $7.0 million and $7.2 million, respectively. This investment in capital assets includes land, buildings and improvements, leasehold improvements, and furniture and equipment. The most significant changes that occurred in fiscal 2021 included the purchase of new vehicles and IT infrastructure and in fiscal 2020 included the purchase of 6 new vehicles and replacement of computers. Depreciation expense for year ending June 30, 2021 and June 30, 2020 was approximately $574 thousand and $480 thousand, respectively. Additional information on Tri-City's capital assets can be found in Note #6 to the financial statements.

	Noncurrent Liabilities		
	2021	**2020**	**2019**
Mortgage note payable (net of current portion)	$ -	$ 771,686	$ 802,374
City of Pomona HUD Loan	58,872	88,309	147,183
Bankruptcy liabilities	-	656,064	1,686,064
Net pension liability	6,325,906	5,462,528	4,658,577
Unearned MHSA revenues	435,392	276,421	500,000
Total	$ 6,820,170	$ 7,255,008	$ 7,794,198

Tri-City's noncurrent liabilities totaled $6.8 million at June 30, 2021 and $7.3 million at June 30, 2020. Noncurrent liabilities include the Mortgage for the location at 2008 N. Garey Ave, in the City of Pomona, the remaining bankruptcy liabilities for a former bankruptcy filing (further explained at Note #7 to the financial statements), the Net Pension Liability (further explained at Note #9B to the financial statements) and the Unearned MHSA Revenues (further explained at Note #2M and Note #11 to the financial statements).

The most significant events during the fiscal years ending June 30, 2021 and June 2020 included the following:

2021

- As more fully described at Note #10, the mortgage note payable has a balloon payment for the remaining balance due in June 2022. As a result, the entire remaining balance on the note of $772 thousand, as of June 30 2021, has been classified as a current liability which explains the decrease in noncurrent liabilities.
- As further explained at Note #13, the HUD loan is a forgivable loan and during fiscal year 2021, approximately $29 thousand was forgiven by the City of Pomona reducing the balance to approximately $59 thousand.
- Tri-City was able to pay off the remaining bankruptcy liability of approximately $656 thousand to Class 3 and Class 4 bankruptcy claimants as a result of available funding from Tri-City's outpatient clinic operations. As such, no remaining bankruptcy related liabilities exist as of June, 30, 2021. Refer to Note #7 to the financial statements for further details.
- Based on the CalPERS actuarial valuation, the net pension liability increased by approximately $863 thousand. Refer to Note #9B to the financial statements for further details.
- As further described at Note #2M, 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 $159 thousand in Unearned MHSA Revenues, represents funds received during fiscal year 2021 that have not yet been approved for programming.

2020

- As further explained at Note #13, the HUD loan is a forgivable loan and during fiscal year 2020, approximately $59 thousand was forgiven by the City of Pomona reducing the balance to approximately $88 thousand.
- Tri-City was able to pay down approximately $1.0 million to Class 3 and Class 4 bankruptcy claimants as a result of available funding from Tri-City's outpatient clinic operations.
- Based on the CalPERS actuarial valuation, the net pension liability increased by approximately $803 thousand. Refer to Note #9B to the financial statements for further details.
- During fiscal 2020 and as a result of identified capital improvements projects within the MHSA Capital Facilities and Technology (CFTN) plan, a plan was approved and previously unearned MHSA revenue was identified as approved and made available to be spent beginning in fiscal year 2020. Amounts approved were then recognized and the remaining Noncurrent Unearned MHSA revenues available are noted to be $276 thousand. Additional information regarding MHSA revenues can be found at Note #11 to the financial statements.

Economic Factors

As well known, the COVID-19 pandemic that began in 2020 immediately made a financial impact on Federal, State and Local economies. While Tri-City experienced a direct and immediate impact, the full or long-term effects are still unknown. 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.

MHSA - As described earlier in this document, the postponing of tax return filing deadlines from April to July 2020, meant that a delay in MHSA funds would be experienced. Beginning with the March 2020 MHSA monthly remittance, Tri-City did experience decreases in the amounts collected. Subsequent to the fiscal year end and after the July 15, 2020 tax filing deadline, Tri-City did begin experiencing increases in the MHSA monthly remittances. 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. According to the latest projections, fiscal year 2021-22 is expected to experience an increase in MHSA cash flows as compared to the amounts received in fiscal year 2019-20 of approximately 19%. This increase is primarily due to an expected significant annual adjustment specifically from the 2019 and 2020 tax filings and due to any growth or true-ups. However, the impact of the 2020 COVID-19 crisis, is also expected to result in significant decreases in MHSA cash flows in fiscal year 2022-23 of approximately 22% as compared to fiscal year 2019-20. While Tri-City has not had to access MHSA prudent reserves to date, Tri-City will continue to closely monitor the needs of Agency.

1991 Realignment - As mentioned above, CBHDA has provided updated information and estimates for 1991 Realignment taking into consideration actual and projected impacts of COVID-19. 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 any growth is not guaranteed. During fiscal year 2020-21, Tri-City did receive its guaranteed based along with an additional $319 thousand in growth. According to CBHDA and consistent with the Governor's budget, Tri-City expects to receive a base of approximately $3.6 million annually, however will not expect to see any growth for the next few years.

Other Historical Factors

1991 Realignment funding for county mental health programs was mentioned in the Governor's 2019-20 Budget Summary relating to In-Home Supportive Services. As previously identified in the California's State Governor's May Budget Revise for 2017-18, In-Home Supportive Services (IHSS) was to be realigned back to counties. This realignment of costs would have meant that Tri-City would lose revenues previously received from the Vehicle License Fee Growth Fund. However, during fiscal 2018 the California Behavioral Health Directors Association (CBHDA) successfully advocated that Tri-City and Berkeley be exempted from these changes to mental health services funding. Specifically, the provision of IHSS is not required for Berkeley and Tri-City as they are Mental Health Authorities and not Mental Health Plans. Therefore Tri-City continues to not be impacted by these changes.

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 now 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 and The Former Bankruptcy

At June 30, 2021, Tri-City had approximately $34.9 million in cash. Of this amount, approximately $26.6 million is cash that is immediately available but restricted only for the implementation and provision of services under approved MHSA programs, $8.3 million is cash available for Tri-City's outpatient clinic operations and of these amounts approximately $435 thousand (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. In accordance with the Bankruptcy Plan, Tri-City's unrestricted cash for the clinic operations is the only source that can be used to fund payments on allowed pre-petition claims when such cash balances exceed current operating costs and cash reserves identified in the Plan.

With regard to the former filing of the bankruptcy, on April 9, 2009, Tri-City made its first payment to Class 2 Unsecured creditors for their allowed claims. These claims were paid in full by June 2013. In May 2013, the first claim payment was made on the allowed Unsecured Class 3 California Department of Mental Health (CAL DMH, now the Department of Health Care Services or DHCS)) claims and Unsecured Class 4 Los Angeles County Department of Mental Health (LAC DMH) claims representing 4% of each Class' allowed claims. During Fiscal 2020 and 2019 Tri-City made additional payments to Class 3 and Class 4 totaling approximately $1.0 million and $2.0 million, respectively. During fiscal year 2021 Tri-City made final payments to LAC DMH and DHCS completely paying off the remaining bankruptcy liabilities. As of June 30, 2021, Tri-City has made payments totaling $10.9 million to Class 3 and Class 4 Unsecured creditors representing 100% of each Class' allowed claims.

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

STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and investments *(Note #4)*	$ 8,264,029	$ 7,024,393
Restricted cash and investments for MHSA programs *(Note #4)*	26,634,510	24,107,422
Accounts receivable, net of allowance for uncollectible accounts of $482,113 and $543,736 at June 30, 2021 and 2020, respectively *(Note #5A)*	6,000,279	6,780,120
Total Current Assets	40,898,818	37,911,935
Noncurrent Assets:		
Land	2,520,749	2,520,749
Capital assets being depreciated, net of accumulated depreciation *(Note #6)*	4,524,404	4,725,361
Note Receivable *(Note #5B)*	2,800,000	-
Prepaid Deposits *(Note #2F)*	638,824	562,154
Total Noncurrent Assets	10,483,977	7,808,264
Total Assets	51,382,795	45,720,199
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions *(Note #9B)*	2,893,978	2,776,741
LIABILITIES		
Current Liabilities:		
Accounts payable	555,957	423,892
Accrued payroll	702,478	641,586
Accrued vacation and sick leave	1,711,777	1,469,788
Estimated third party payor settlements *(Note #8)*	5,599,629	5,308,377
Current portion of mortgage note payable *(Note #10)*	771,686	30,688
Total Current Liabilities	9,341,527	7,874,331
Noncurrent Liabilities:		
Mortgage note payable (net of current portion) *(Note #10)*	-	771,686
City of Pomona HUD Loan (*Note #13*)	58,872	88,309
Bankruptcy liabilities *(Note #7)*	-	656,064
Net pension liability (*Note #9B*)	6,325,906	5,462,528
Unearned MHSA revenues *(Note #11)*	435,392	276,421
Total Noncurrent Liabilities	6,820,170	7,255,008
Total Liabilities	16,161,697	15,129,339
DEFERRED INFLOWS OF RESOURCES:		
MHSA revenues restricted for future period *(Note #11)*	8,413,843	6,625,119
Deferred inflows related to pensions *(Note #9B)*	45,119	217,236
Total Deferred Inflows of Resources	8,458,962	6,842,355
NET POSITION		
Net investment in capital assets	6,214,595	6,355,427
Restricted for MHSA programs *(Note #12)*	19,082,210	16,204,681
Unrestricted	4,359,309	3,965,138
Total Net Position	$ 29,656,114	$ 26,525,246

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating Revenues:		
Medi-Cal, net of provision for disallowances and bad debts	$ 10,873,909	$ 9,905,318
Medicare	5,761	5,795
Contracts	20,000	20,986
Rental income	127,429	115,042
Patient fees and insurance	1,662	2,415
Other income	217,140	31,624
Total Operating Revenues	11,245,901	10,081,180
Operating Expenses:		
Salaries, wages, and benefits	20,186,648	18,714,663
Facility and equipment operating costs	1,957,187	1,944,282
Client lodging, transportation, and supply expense	1,888,764	1,705,795
Depreciation	574,026	479,571
Other operating expense	1,975,827	1,898,602
Total Operating Expenses	26,582,452	24,742,913
Operating Income (Loss)	(15,336,551)	(14,661,733)
Non-Operating Revenues (Expenses):		
Realignment	4,095,068	3,776,200
MHSA funding	13,523,788	12,130,482
Measure H	490,792	152,258
Other Grants	131,778	-
Contributions from member cities	70,236	70,236
Interest income	156,875	560,171
Interest expense	(39,965)	(41,592)
Gain on sale of capital assets	9,410	9,239
Total Non-Operating Revenues (Expenses)	18,437,982	16,656,994
Income before Special Items	3,101,431	1,995,261
Special Item:		
City of Pomona HUD Loan (Note #13)		
forgivness of debt	29,437	58,874
Total Special Items	29,437	58,874
Change in Net Position	3,130,868	2,054,135
Net Position at Beginning of Year	26,525,246	24,471,111
Net Position at End of Year	$ 29,656,114	$ 26,525,246

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	$ 12,316,994	$ 9,521,570
Payments to suppliers and contractors	(5,766,383)	(6,020,373)
Payments to employees for salaries and benefits	(19,309,743)	(17,502,546)
Payments on bankruptcy unsecured claims *(Note #7)*	(656,064)	(1,030,000)
Net Cash Used by Operating Activities	(13,415,196)	(15,031,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Funding from Mental Health Services Act	15,471,483	10,180,310
Realignment	4,095,068	3,776,200
Contributions from member cities	70,236	70,236
Measure H	622,570	152,258
Net Cash Provided by Noncapital Financing Activities	20,259,357	14,179,004
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Notes Receivable	(2,800,000)	-
Purchase of capital assets	(373,069)	(447,166)
Principal paid on capital debt	(30,688)	(29,066)
Interest paid on capital debt	(39,965)	(41,592)
Proceeds on sale of capital assets	9,410	9,239
Net Cash Used by Capital and Related Financing Activities	(3,234,312)	(508,585)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	156,875	560,171
Net Cash Provided by Investing Activities	156,875	560,171
Net Increase (Decrease) in Cash and Cash Equivalents	3,766,724	(800,759)
Cash and Cash Equivalents at Beginning of Year	31,131,815	31,932,574
Cash and Cash Equivalents at End of Year	$ 34,898,539	$ 31,131,815
Reconciliation of Cash to Statement of Net Position:		
Cash and Investments	8,264,029	7,024,393
Restricted cash and Investments	26,634,510	24,107,422
Total cash and Investments	$ 34,898,539	$ 31,131,815

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Reconciliation of Operating Income (Loss) from Operations to Net Cash Used by Operating Activities:		
Operating Income (Loss)	$ (15,336,551)	$ (14,661,733)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:		
Depreciation	574,026	479,571
Pension expense	574,024	724,602
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	779,841	(864,165)
(Increase) decrease in deposits	(76,670)	(416,276)
Increase (decrease) in accounts payable	132,065	(55,418)
Increase in accrued payroll liabilities	60,892	165,890
Increase in accrued leave	241,989	321,625
Increase in estimate for third party payor settlements	291,252	304,555
(Decrease) in bankruptcy liabilities	(656,064)	(1,030,000)
Net Cash Used by Operating Activities	$ (13,415,196)	$ (15,031,349)

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 Statements of Net Position, Statements of Revenues, Expenses, and Change in Net Position, and the Statements 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 Statements of Net Position. The Statements 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 *Note #11,* are also reflected as non-operating revenues because they are "Non-Exchange Transactions".

C. Bankruptcy Reporting

As more fully disclosed at Note #7, Tri-City filed a petition under Chapter 9 of the Bankruptcy Code in February of 2004. Tri-City follows the requirements of GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies,* for the items relating to the bankruptcy transactions and financial statement presentation.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Cash Equivalents

For the purpose of the Statements 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, 2021 and 2020, Tri-City's cash and cash equivalents included pooled cash balances and investments in the Local Agency Investment Fund (LAIF).

E. 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

F. Prepaid Deposits

Prepaid deposits include prepaid expense, security, rental and utility deposits that have been paid to third parties. At June 30, 2021 and 2020, Tri-City had prepaid deposits outstanding in the amounts of $638,824 and $562,154, respectively.

G. 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.

H. 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.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Operating Revenues and Expenses

Tri-City's Statements 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.

J. 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.

K. Medi-Cal Revenue

Revenue under third-party payor agreements 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.

L. 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.

M. 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 Statements 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 Statements 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).

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. 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).*

O. 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, 2021 and 2020, 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 #9B)* and estimated third party payor settlements *(Note #8).*

P. 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 $19,082,210 and $16,204,681 of restricted net position, at June 30, 2021 and June 30, 2020, respectively, which include MHSA funds that are restricted for use in MHSA programs. Net Investment in Capital Assets of $6,214,595 and $6,355,427 are equal to Tri-City's capital assets at June 30, 2021 and June 30, 2020 (Note #6), respectively, net of the related mortgage debt (Note #10) and the HUD Loan (Note #13). The remaining Unrestricted Net Position at June 30, 2021 and June 30, 2020 of $4,359,309 and $3,965,138, respectively, is the primary result of recognizing the long-term Net Pension Liability (as more fully disclosed at Note #9B) and the former recognition of bankruptcy related liabilities (as more fully disclosed at Note #7). The unrestricted net position is available for the general operations of Tri-City.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. 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, 2021 and June 30, 2020 Tri-City reported $2,893,978 and $2,776,741, respectively in deferred outflows of resources as further explained at Note #9B.

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 #11, for additional details relating to MHSA revenues restricted for future period and unearned MHSA revenues. Additionally, Tri-City reported $45,119 and $217,236, at June 30, 2021 and 2020 respectively in deferred inflows of resources as further explained at Note #9B.

R. Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

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 ACCOUNTING PRONOUNCEMENTS

Effective In Current Fiscal Year

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for periods beginning after December 15, 2019. Tri-City has determined that there is no material effect to the Financial Statements.

GASB Statement No. 90 – In November 2016, GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and 61.* The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for periods beginning after December 15, 2019. Tri-City has determined that there is no material effect to the Financial Statements.

Effective in Future Years

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for periods beginning after June 15, 2021. Tri-City has not determined the effect of this Statement.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning after December 15, 2020. Tri-City has not determined the effect of this Statement.

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 not determined the effect of this Statement.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for periods beginning after June 15, 2021. Tri-City has not determined the effect of this Statement.

NOTE #3 – NEW PRONOUNCEMENTS, Continued

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR).* The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for periods beginning after June 15, 2021. Tri-City has not determined the effect of this Statement.

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 not determined the effect of this Statement.

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

GASB Statement No. 97– In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021 for requirements that are related to the accounting and financial reporting for Section 457 plans. The remaining sections are effective immediately. Tri-City has not determined the effect of this Statement.

NOTE #4 – CASH AND INVESTMENTS

As of June 30, 2021 and 2020, cash and investments in the Statements of Net Position consisted of the following:

	2021	2020
Cash on hand	$ 2,030	$ 2,030
Deposits with financial institutions	7,958,440	4,422,037
Deposit with Local Agency Investment Fund (LAIF)	26,938,069	26,707,748
Total Cash and Investments	$ 34,898,539	$ 31,131,815

Investments

Tri-City is authorized under California Government Code to make direct investments. Tri-City has adopted an investment policy that 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, 2021 and 2020, 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, 2021 and 2020, $26,938,069 and $26,707,748, respectively, 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, 2021 and 2020, 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 $8,171,664 and $4,463,208, 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 $26,634,510 and $24,107,422 at June 30, 2021 and 2020, respectively. 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, 2021 and 2020, 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, 2021 and June 30, 2020 are uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

NOTE #5 – RECEIVABLES

Accounts receivable at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Accounts Receivable:		
Medi-Cal	$ 5,617,258	$ 6,359,697
Medicare	1,844	283
Realignment	609,225	609,225
Grants and Contracts	232,071	257,202
Interest & Other Receivables	21,994	97,449
Total Accounts Receivable	$ 6,482,392	$ 7,323,856
Less: Allowance for Doubtful Accounts	(482,113)	(543,736)
Accounts Receivable, Net	$ 6,000,279	$ 6,780,120

A - Medi-Cal Receivables

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. At June 30, 2021 and 2020, Medi-Cal accounts receivable included approximately zero and $590 thousand, respectively of Medi-Cal reimbursement received and withheld by LAC DMH for mental health services provided by Tri-City to Medi-Cal eligible clients during the fiscal year 2013-14.

The allowance for doubtful accounts is estimated based on withholding percentages used by LAC DMH, and will be adjusted upon settlement of the cost reports. The provision expensed in fiscal 2021 and 2020 for doubtful accounts was approximately $230 thousand and $461 thousand, respectively.

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 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.

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 years ended June 30, 2021 and 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
June 30, 2021:				
Capital Assets not being depreciated:				
Land	$ 2,520,749	$ -	$ -	$ 2,520,749
Capital Assets, being depreciated:				
Buildings and improvements	8,233,466	23,810	(2,750)	8,254,526
Leasehold improvements	105,878	-	-	105,878
Furniture and equipment	2,223,872	349,855	(80,646)	2,493,081
Total Capital Assets being depreciated	10,563,216	373,665	(83,396)	10,853,485
Less accumulated depreciation for:				
Buildings and improvements	(4,008,208)	(333,923)	2,750	(4,339,381)
Leasehold improvements	(96,888)	(4,660)		(101,548)
Furniture and equipment	(1,732,759)	(235,443)	80,050	(1,888,152)
Total Accumulated Depreciation	(5,837,855)	(574,026)	82,800	(6,329,081)
Total Capital Assets being depreciated	4,725,361	(200,361)	(596)	4,524,404
Capital Assets, Net	**$ 7,246,110**	**$ (200,361)**	**$ (596)**	**$ 7,045,153**

NOTE #6 – CAPITAL ASSETS, Continued

	Beginning Balance	Additions	Deletions	Ending Balance
June 30, 2020:				
Capital Assets not being depreciated:				
Land	$ 2,520,749	$ -	$ -	$ 2,520,749
Capital Assets, being depreciated:				
Buildings and improvements	8,233,466	-	-	8,233,466
Leasehold improvements	105,878	-	-	105,878
Furniture and equipment	1,884,134	447,166	(107,428)	2,223,872
Total capital assets being depreciated	10,223,478	447,166	(107,428)	10,563,216
Less accumulated depreciation for:				
Buildings and improvements	(3,674,267)	(333,941)	-	(4,008,208)
Leasehold improvements	(92,228)	(4,660)	-	(96,888)
Furniture and equipment	(1,699,217)	(140,970)	107,428	(1,732,759)
Total Accumulated Depreciation	(5,465,712)	(479,571)	107,428	(5,837,855)
Total Capital Assets being depreciated	4,757,766	(32,405)	-	4,725,361
Capital Assets, Net	**$ 7,278,515**	**$ (32,405)**	**$ -**	**$ 7,246,110**

In fiscal 2021 and 2020, Tri-City disposed of $83,396 and $107,428 of fully depreciated equipment and vehicles that were no longer in use.

NOTE #7 –BANKRUPTCY

On February 13, 2004, Tri-City filed a petition under Chapter 9 of the Bankruptcy Code. The Bankruptcy Court ordered that any entity that wished to participate in any distribution under a Plan generally must either have been properly listed by Tri-City in its List of Creditors or have filed a proof of claim on or before June 24, 2004 (except for claims arising from executory contracts or expired leases rejected by Tri-City and other matters set forth in the Bankruptcy Court's order regarding the claims bar date). Tri-City presented a Plan for the Adjustment of Debts to the Bankruptcy Court on January 5, 2005 (also referred herein as the "Plan"). On December 12, 2006, an amended Plan was filed with the Court and subsequently confirmed by the Court on August 6, 2007. The order to confirm the Plan was filed on December 12, 2007 and the Plan became effective on July 18, 2008 after finalization of Tri-City's contract with the Los Angeles County Department of Mental Health (LAC DMH).

In September 2011, Tri-City along with CAL DMH, CAL DHCS and LAC DMH, finalized a Settlement Mediation Agreement which was signed and approved by the Court in January 2012. As a result of this Settlement, Tri-City's Bankruptcy Case was officially closed and recorded on February 21, 2012. Events that gave rise to the Bankruptcy and how it affected the level of Tri-City's mental health services is disclosed in Tri-City's Amended Disclosure Statement dated December 12, 2006. The Plan and Disclosure Statement can be obtained at Tri-City's Website under Archived Documents at http://www.tricitymhs.org.

NOTE #7 –BANKRUPTCY, Continued

The Settlement Mediation Agreement noted above stipulates that CAL DHCS will allow LAC DMH to pass through to Tri-City any EPSDT payments for Tri-City claims received by LAC DMH from CAL DHCS as a result of LAC DMH's EPSDT appeal settlement originated with CAL DMH, as long as Tri-City agrees that any EPSDT amounts received from LAC DMH for the fiscal years 2001-02, 2002-03 and 2003-04 will only be used to make payments on its bankruptcy debt. In consideration for this pass through, Tri-City agreed to no longer pursue collection of the Medi-Cal FFP claims for the fiscal years ended 2006 and 2007, which were fully reserved by Tri-City in fiscal 2007 and were subsequently written-off in fiscal 2010. In November 2012, Tri-City received $295,340 resulting from a pass through of the EPSDT audit settlement for fiscal 2001-2002. In accordance with the Mediation Agreement these funds were used to make payment on Tri-City's Class 2 General Unsecured bankruptcy claimants on November 30, 2012. In addition, in January 2016, Tri-City received $257,534 resulting from a pass through of the EPSDT audit settlement for fiscal 2002-03 which was used to make payments on Class 3 and Class 4 balances on January 26, 2016.

In accordance with the confirmed Plan, Tri-City made payments on allowed Class 2 General Unsecured bankruptcy claims in Fiscal Years 2009 through 2013 which represented 100% of that Class's allowed claims. In addition, beginning in May 2013 through June 2021, Tri-City has made payments to Class 3 Unsecured CAL DMH and Class 4 Unsecured LAC DMH claims of $10,899,193 representing approximately 100% of each Class's allowed claims. The percentage of allowed claims that will be paid in future quarters depends on cash available, as defined per the Plan at the time and over the term of Tri-City's contract with LAC DMH. Per the Plan, payments on allowed claims will terminate concurrent with the termination of Tri-City's contractual relationship with LAC DMH. Tri-City's most current contract with LAC DMH is effective from July 1, 2020 through June 30, 2025, which includes four automatic renewal periods without any further action on Tri-City's behalf.

During fiscal year 2021, Tri City completely paid off the remaining "Bankruptcy Liabilities" in the amount of $656,064. Below reflects the remaining allowed claims based on Tri-City's final reconciliation and settlement of claims as submitted to and approved by the Bankruptcy Court, reduced by the payments made through June 30, 2021 and 2020 to the claimants.

The bankruptcy liabilities as of June 30, 2021 and 2020 are summarized by Bankruptcy Claim Class as follows:

	2021	2020
Class 3 — Unsecured Claim of CAL DMH, net	$ -	$ 397,351
Class 4 — Unsecured Claim of LAC DMH	-	258,713
Total Bankruptcy Liabilities	$ -	$ 656,064

The remaining classes of Bankruptcy claims are described in the following page.

NOTE #7 –BANKRUPTCY, Continued

Class 3 – Unsecured Claim of CAL DMH includes the following:

The final allowed Class 3 claims per the plan of $6,601,182 consisted of $6,648,932 in overpayment of Medi-Cal FFP for pre-petition services as determined by the Short-Doyle/Medi-Cal cost report final audit settlements for the fiscal years ended June 30, 1997 through 2004, offset by $47,750 due to Tri-City for pre-petition services performed under the AB 2034 Program. The decrease in the Class 3 liability to $397,351 at June 30, 2020 and zero at June 30, 2021 reflect Tri-City's bankruptcy payments made to CAL DMH during Fiscal years 2013 through 2021. As noted previously, final payment was made during fiscal year 2021 bringing the total bankruptcy liability balances to zero.

Class 4 – Unsecured Claim of LAC DMH includes the following:

The final allowed Class 4 claim per the plan of $4,298,010 consisted of $5,306,383 in overpayment of Medi-Cal EPSDT advances resulting from Medi-Cal audit adjustments for the fiscal years ending June 30, 2002 and 2003, as well as for services that had not yet been performed in fiscal 2004 by Tri-City due to the filing of bankruptcy. This overpayment was offset by amounts due to Tri-City of $1,008,373 from LAC DMH for services Tri-City provided under other LAC DMH programs. The decrease in the Class 4 liability to $258,713 at June 30, 2020 and zero at June 30, 2021 reflect Tri-City's bankruptcy payments made to LAC DMH during Fiscal 2013 through 2021. As noted previously, final payment was made during fiscal year 2021 bringing the total bankruptcy liability balances to zero.

NOTE #8 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE

In prior years, Tri-City entered into agreements to provide services to patients covered under the Short-Doyle/Medi-Cal program and various LAC DMH programs. Prior to filing bankruptcy (as described at Note #7), and up through services provided in fiscal 2006-07, Tri-City submitted claims covered by the Short-Doyle/Medi-Cal program directly to the California Department of Mental Health. Commencing with services provided subsequent to June 30, 2007, Tri-City presently submits claims under the Medi-Cal program through LAC DMH. In addition, prior to filing bankruptcy, Tri-City had provided services through other LAC DMH programs. These programs were paid based on a fixed or contracted rate or reimbursable costs, whichever was defined by the program. Reimbursements recorded under these programs are subject to audit and retroactive adjustment by the intermediaries 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". As disclosed in previous years, the only outstanding liabilities related to settlement and audit letters received, have been for services provided pre-bankruptcy and have therefore been included within the Bankruptcy Liabilities balance.

NOTE #8 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE, Continued

Estimated Third Party Payor Settlements

Tri-City's Estimated Third Party Payor Settlements are included in both current liabilities and in bankruptcy liabilities. Estimated Third Party Payor Settlements reflected in current liabilities is $5,599,629 at June 30, 2021 and $5,308,377 at June 30, 2020. 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 2013 through fiscal 2021. The reserves for fiscal years 2013 through 2021 are estimated based on LAC DMH's withholding percentages applied for each fiscal year, which can be subject to change. 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.

The reported balances for reserves for Estimated Third Party Payor Settlements included in "Bankruptcy Liabilities" at June 30, 2021 is zero and $258,713 at June 30, 2020. This represents the amended claim settlement filed by LAC DMH, pending possible adjustments from future State audits of EPSDT claims, less Tri-City's bankruptcy claim payments made through fiscal 2021. As noted previously, final payment was made during fiscal year 2021 bringing the total bankruptcy liability balances to zero.

Cost Reports Payable

At June 30, 2021 and 2020, Tri-City reflected a zero balance and $397,351, respectively, for remaining liabilities asserted by the California Department of Mental Health (CAL DMH) for cost report settlements based on the Short-Doyle/Medi-Cal issued interim settlement letters and final audit settlements for the fiscal years ended June 30, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004. The reduction in liability from June 30, 2020 balances reflect the claim payments made by Tri-City in fiscal 2021. These liabilities are reflected as "Bankruptcy Liabilities" in the Statement of Net Position. As noted above the remaining bankruptcy balances were paid off completely during fiscal year 2021.

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION

Tri-City Mental Health Authority offers the following plans:

A. <u>Tri-City 401A Money Purchase Plan</u>

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, 2021 and 2020 was $10,733 and $9,935, respectively.

NOTE #9 – 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

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, 2021, 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	11.031%	7.732%

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

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

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. Tri-City's required contributions for the unfunded liability included in the total employer contributions, was $334,214 and $256,315 in fiscal year 2021 and 2020, respectively.

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, 2021 and 2020, Tri-City's contributions to the Plan were $1,586,047 and $1,328,508, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2021 and 2020, Tri-City reported a liability for its proportionate share of the net pension liability of the Plan of $6,325,906 and $5,462,528, respectively.

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, 2021 is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 is as a follows:

	Plan
Proportion - June 30, 2019	0.05331%
Proportion - June 30, 2020	0.05814%
Change in proportion- Increase (Decrease)	0.00483%

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

At the year ended June 30, 2021 and 2020, Tri-City recognized pension expense of $2,160,072 and $2,053,110, respectively, associated with the net pension liability. At June 30, 2021 and 2020, Tri-City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	June 30, 2021	June 30, 2020
Tri-City contributions subsequent to measurement date	$ 1,586,047	$ 1,328,508
Changes of assumptions	-	260,479
Net difference between expected and actual earnings on pension plan investments	187,921	-
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions	107,261	92,877
Changes in employer's proportion	686,756	715,482
Differences between expected and actual experience	325,993	379,395
Total Deferred Outflows	2,893,978	2,776,741
Deferred Inflows of Resources		
Changes of assumptions	(45,119)	(92,337)
Net difference between expected and actual earnings on pension plan investments	-	(95,502)
Differences between expected and actual experience	-	(29,397)
Total Deferred Inflows	(45,119)	(217,236)
Amounts Not Amortized		
Tri-City's contributions subsequent to measurement date	(1,586,047)	(1,328,508)
Net Total Deferred Outflows and Inflows to be Amortized	$ 1,262,812	$ 1,230,997

The amount of $1,586,047 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, 2022. 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,	
2022	$ 481,084
2023	432,725
2024	258,871
2025	90,132
Total	$ 1,262,812

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Actuarial Assumptions – The total pension liability of the Plan in the June 30, 2019 and June 30, 2018 actuarial valuations were determined using the following actuarial assumptions.

Balance Sheet Date:	June 30, 2021	June 30, 2020
Valuation Date:	June 30, 2019	June 30, 2018
Measurement Date:	June 30, 2020	June 30, 2019
Actuarial Cost Method:	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.50%	2.75%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.15% (2)	7.5% (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 #9 – 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, 2020 Measurement

Asset Class	Target Allocation	Expected Real Rate of Return Years 1 thru 10[1]	Expected Real Rate of Return Years 11 thru 60[2]
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92)%
Total	100%		

June 30, 2019 Measurement

Asset Class	Target Allocation	Expected Real Rate of Return Years 1 thru 10	Expected Real Rate of Return Years 11 thru 60
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92)%
Total	100%		

[1] An expected inflation of 2.0% used for this period

[2] An expected inflation of 2.92% used for this period

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 and 2019 was 7.15% and 7.15%, respectively, for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68.

NOTE #9 – 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 7.15% 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:

	2021	2020
1% Decrease	6.15%	6.15%
Tri-City's Proportionate Share of the Net Pension Liability	$ 10,869,867	$ 9,603,249
Current Discount Rate	7.15%	7.15%
Tri-City's Proportionate Share of the Net Pension Liability	$ 6,325,906	$ 5,462,528
1% Increase	8.15%	8.15%
Tri-City's Proportionate Share of the Net Pension Liability	$ 2,571,373	$ 2,044,655

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

NOTE #10 – MORTGAGE NOTE PAYABLE

The following is a schedule of changes in Tri-City's mortgage note payable included in long-term debt for the fiscal years ended June 30, 2021 and 2020:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
June 30, 2021	$ 802,374	$ -	$ (30,688)	$ 771,686	$ 771,686
June 30, 2020	$ 831,440	$ -	$ (29,066)	$ 802,374	$ 30,688

On June 25, 2013, Tri-City's mortgage note was refinanced for $1,000,000 with monthly payments of $5,888 commencing on July 25, 2013 and ending on June 25, 2022, at which time a balloon payment of the unpaid sum of principal plus accrued interest is due. The loan bears interest at 5 percent. As a condition to receive the 5 percent interest, Tri-City must keep cash balances at the lender's bank equal to the outstanding loan. If the cash balance is less than the required amount for a consecutive 90 day period the interest rate will increase by 1.5 percent until the required balances are restored. Tri-City was in compliance with this cash balance requirement at June 30, 2021 and 2020.

NOTE #10 – MORTGAGE NOTE PAYABLE, Continued

The annual requirement to amortize the outstanding mortgage note payable is as follows:

	Mortgage Note Payable	
June 30,	Principal	Interest
2022	771,686	35,288
Total Payments	$ 771,686	$ 35,288
Current Principal Portion	$ 771,686	
Long-term Principal Portion	$ -	

Interest expense on the mortgage note for the fiscal years ended June 30, 2021 and 2020 was $39,965 and $41,592, respectively. As noted previously, under the current terms of the note, a balloon payment is due in June of 2022. As such there is no long term portion noted above.

NOTE #11 –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, unrequested and 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, 2021 and 2020.

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, 2021 and 2020 MHSA Revenues Restricted for Future Period are $8,413,843 and $6,625,119, respectively.

NOTE #11 –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 years ended June 30, 2021 and 2020:

	Balance Beginning of Year	Funding Received	Transfer	Amounts Recognized as Non-Operating Revenue	Reclassification of Previously Unapproved Programs	Balance End of Year
June 30, 2021						
CSS	$ 6,381,486	$ 11,734,794	$ -	$ (10,712,194)	$ (35,690)	$ 7,368,396
PEI	18,922	2,939,793	-	(2,217,534)	-	741,181
INN	224,711	792,593	-	(316,438)	(396,600)	304,266
WET	-	3,102	-	-	(3,102)	-
CFTN	-	1,201	-	(277,622)	276,421	-
MHSA Revenues Restricted for Future Period	$ 6,625,119	$ 15,471,483	$ -	$ (13,523,788)	$ (158,971)	$ 8,413,843
Unearned MHSA Revenues	$ 276,421	$ -	$ -	$ -	$ 158,971	$ 435,392
June 30, 2020						
CSS	$ 7,633,920	$ 7,737,034	$ -	$ (8,989,468)	$ -	$ 6,381,486
PEI	137,022	1,934,260	-	(2,052,360)	-	18,922
INN	454,247	509,016	-	(738,552)	-	224,711
WET	126,523	-	-	(126,523)	-	-
CFTN	-	-	-	(223,579)	223,579	-
MHSA Revenues Restricted for Future Period	$ 8,351,712	$ 10,180,310	$ -	$ (12,130,482)	$ 223,579	$ 6,625,119
Unearned MHSA Revenues	$ 500,000	$ -	$ -	$ -	$ (223,579)	$ 276,421

NOTE #12 – 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, 2021 and 2020 by specific MHSA Program Plans.

Restricted Net Position for MHSA Programs		**2021**	**2020**
Community Services and Supports	*	$ 11,627,757	$ 9,428,434
Prevention and Early Intervention		2,209,741	1,814,307
Innovation		1,529,421	1,080,377
Workforce, Education and Training		237,916	550,417
Capital Facilities and Technology Needs		1,128,053	994,983
Prudent Reserves		2,349,322	2,336,163
Total Restricted Net Position for MHSA Programs		$ 19,082,210	$ 16,204,681

* 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.

NOTE #13 – 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, 2021, 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 #13 – COMMITMENTS AND CONTINGENCIES, Continued

Bankruptcy Filing

In accordance with the confirmed Plan of Adjustment of Debts through the bankruptcy case, differences in "Bankruptcy Liabilities" which were subject to compromises as estimated by management, and the final allowed claims, were reconciled in fiscal 2008-09 through Tri-City's objection process. In accordance with this process, Tri-City had the right to settle or object to the claims through January 12, 2009. All claim objections entered by Tri-City were either: (1) not opposed, (2) accepted by the Court, or (3) settled with the claimant. The effects of these objections or settlements were recorded in the period when they became known. The final adjustments to the allowed claims were recorded in fiscal 2009 *(Note # 7).* The initial payment of allowed claims commenced on April 9, 2009 and payments have continued through Fiscal 2021. Continued payments on allowed claims have depended on funds available as defined in the Bankruptcy Plan and the continued term of Tri-City's contract with LAC DMH. In May of 2021 Tri-City made its final bankruptcy payment to LA DMH and DHCS bringing the balance to zero.

Medicaid/MHSA Programs

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. 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. At June 30, 2021, and 2020, the outstanding balance of the loan was $58,872 and $88,309, respectively.

NOTE #14 – OPERATING LEASES

Tri-City has entered into various operating leases for the use of equipment and office space. The lease payments range from $21 to $12,962 per month with terms ranging from "month-to-month" to eight-year terms as follows:

Administrative Offices

Tri-City has an agreement with the City of Claremont to rent a 4,000 square foot facility in Claremont to house its administrative staff. On October 1, 2020 Tri-City entered into a new lease for a term of five years with a monthly rent payment of $7,123 and an annual adjustment based on CPI. The rent expense for this facility at June 30, 2021 and 2020 was $95,442 and $94,964, respectively.

Years Ended June 30,	Lease Payments
2022	$ 97,351
2023	99,298
2024	101,284
2025	103,310
2026	25,827
	$ 427,070

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, 2021, there were a total of four leases with monthly payments ranging from $5,390 to $12,962. The remaining minimum required payments for the Royalty Building leases are as follows:

Years Ended June 30,	Lease Payments
2022	$ 465,612
2023	474,768
2024	484,128
2025	493,752
	$ 1,918,260

NOTE #14 – OPERATING LEASES, Continued

Housing Program

As part of programs to provide housing for those in need, Tri-City rents properties for the purpose of providing temporary living accommodations to various tenants. During fiscal 2021 and 2020 Tri-City rented a total of five units under one master lease which is now on a month-month basis with the current payment of $5,850 per month. In order to develop tenant self-reliance and independence, Tri-City charges a nominal fee as rent based on income criteria. Rent expense paid by Tri-City was $64,652 and $61,405 at June 30, 2021 and 2020, respectively. This expense is reflected as an operating expense in “Client lodging, transportation, and supply expense.”

Equipment

Tri-City has entered into various leases for the rental of office equipment. The monthly payments range from $21 to $1,796 and the rental payments are classified as operating expenses in “facility and equipment operating costs.”

The remaining minimum required payments on equipment leases are as follows:

Years Ended June 30,	Lease Payments
2022	$ 52,490
2023	35,085
2024	18,449
2025	2,855
2026	1,078
	$ 109,957

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/Sexual Abuse/Special Defense	$ 2,000,000	$ 3,000,000	$ -
General Liability/Employee Benefit Liability	$ 2,000,000	$ 3,000,000	$ 0 / $ 1,000
Workers Compensation	$ 1,000,000	Unlimited	$ -
Directors and Officers/EPL	$ 2,000,000	$ 4,000,000	$ 25,000
Automobile	$ 1,000,000	$ 1,000,000	$ 1,000
Property-Building	$ 12,333,380	$ 12,333,380	$ 1,000
Property-Computer	$ 2,240,000	$ 2,240,222	$ 1,000
Cyber Liability	$ 5,000,000	$ 5,000,000	$ 10,000
Crime	$ 5,000,000	$ 5,000,000	$ 25,000
Earthquake / Flood	$ 5,000,000	$ 5,000,000	$ 50,000
Umbrella Excess Coverage	$ 5,000,000	$ 5,000,000	$ -

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 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 2021 and $70,236 in 2020 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 *(Note #14)* and 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 #13)*. 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 and $396 thousand for fiscal years ending June 30, 2021 and June 30, 2020, respectively. 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, 2021 Tri-City has received $490,792 in Measure H funds.

NOTE #18 – SUBSEQUENT EVENT

On September 15, 2021, the Board approved Resolution 611, authorizing management to extinguish the remaining mortgage balance. As a result, on October 7, 2021 management wired $766,003 which included remaining principal and accrued interest to date owed on the mortgage note held by Pacific Western Bank.

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*

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.05814%	0.05331%	0.04834%	0.04780%	0.04370%	0.03690%	0.03960%
Proportionate share of the net pension liability	$ 6,325,906	$ 5,462,528	$ 4,658,577	$ 4,740,262	$ 3,781,246	$ 2,535,970	$ 2,460,332
Covered payroll **	$ 12,763,454	$ 11,750,054	$ 10,245,313	$ 10,121,504	$ 9,129,664	$ 8,281,847	$ 7,979,687
Proportionate share of the net pension liability as a percentage of covered payroll **	49.56%	46.49%	45.47%	46.83%	41.42%	30.62%	30.83%
The pension plan's fiduciary net position as a percentage of the total pension liability	77.71%	77.73%	77.69%	73.31%	74.06%	78.40%	79.82%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

* Fiscal year 2015 was the first year in which GASB 68 was implemented, therefore only seven years are shown.
** Covered payroll represents earnable and pensionable compensation

Schedule of Contributions
As of the fiscal year ending June 30:
Last Ten Years*

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 1,586,047	$ 1,328,508	$ 1,134,877	$ 904,469	$ 861,026	$ 734,761	$ 762,546
Contributions in relation to the actuarially determined contribution	1,586,047	1,328,508	1,134,877	904,469	861,026	734,761	762,546
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll **	$ 13,885,388	$ 12,763,454	$ 11,750,054	$ 10,245,313	$ 10,121,504	$ 9,129,664	$ 8,281,847
Contributions as a percentage of covered payroll **	11.42%	10.41%	9.66%	8.83%	8.51%	8.05%	9.21%

* Fiscal year 2015 was the first year in which GASB 68 was implemented, therefore only seven years are shown.
** Covered payroll represents earnable and pensionable compensation

NOTE TO SCHEDULES

Change in Assumptions – In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

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, 2021, and the related notes to the financial statements, which collectively comprise Tri-City's basic financial statements, and have issued our report thereon dated December 10, 2021.

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 opinion 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

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 results 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
December 10, 2021

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, 2021 and have issued our report thereon dated December 10, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated May 18, 2021 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 its 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 Statements Performed in Accordance with *Government Auditing Standards* dated December 10, 2021.

Planned Scope and Timing of the Audit

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

ATTACHMENT 10-B

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

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. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. 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 9 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 9, a 1% increase or decrease in the discount rate has a significant effect on Tri-City's pension liability.

As described in Note 7, Tri-City has disclosed the details of the finalized bankruptcy settlement, how the user of the financial statements can obtain the final Plan and Disclosure Statement and the outstanding bankruptcy liabilities for the year ended June 30, 2021.

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.

There were no corrected or uncorrected misstatements identified as a result of our audit.

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 the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated December 10, 2021.

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, business conditions affecting the entity, and business 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
December 10, 2021

Tri-City Mental Health Authority
AGENDA REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

BY: **Kitha Torregano, Human Resources Manager**

SUBJECT: **TCMHA Executive Director Recruitment Update & Timeline**

Summary:

On November 18, 2021, Human Resources Manager Kitha Torregano, provided the sub-committee with a list of seven (7) recruiting/human resources firms that perform executive level recruitment and human resources consulting work. Of the seven firms, three of the seven firms have worked with Tri-City in the past. Those firms are as follows: Dr. Bill Mathis of Mathis Group, Dr. Bill Jones, and Koff and Associates.

The sub-committee was also provided with the firm recommendation of Wendi Brown Creative Partners (WBCP.) Ms. Brown has recent experience with executive level recruitments in the behavioral health field as she conducted the recruitment for the Santa Barbara County Behavioral Health Director, which our current Executive Director Toni Navarro was selected for.

Background:

At the Governing Board meeting on November 17, 2021, the Governing Board formed a sub-committee for the recruitment of the new Executive Director. Vice Chair Jed Leano, Board Member Carolyn Cockrell and Board Member Paula Lantz were appointed as members of said sub-committee. The sub-committee was instructed to meet with staff and incoming Interim Executive Director, Jesse H. Duff to select a recruiting firm to perform the Executive Director recruitment.

Staff was asked to provide a list of five potential recruiting firms for the Executive Director Recruitment Sub-Committee to review and make a selection from. The Governing Board provided specifics that they would prefer recruiting firms that have performed behavioral health recruitments in the past and would be available to assist Tri-City in the next few weeks.

Fiscal Impact:

Staff estimates that a full-scale executive recruitment will cost approximately $25,000.

Recommendation:

After careful review of all the recruiting firms presented, it is the staff's recommendation that the sub-committee and the Governing Board, acquire the services of Wendi Brown of Wendi Brown Creative Partners to conduct the Executive Director recruitment as Ms. Brown meets all of the expectations and requirements for this level of recruitment, including:

- **Experience.** Extensive successful experience recruiting for County Behavioral Health Directors and various other executive level public agency recruitments.
- **Availability.** Ms. Brown will be available to start work late December/early January, whereas many other firms are not available for work until Spring, if at all.
- **Referrals.** Ms. Brown was referred to Tri-City staff by multiple different contacts including established human resources consultant firm, CPS-HR Consulting, who themselves conduct executive level public agency recruitments through the State of California.
- **Guarantee.** Ms. Brown has an 18-month employment guarantee for new hires recruited through her executive level package.

Staff has also provided the following:

1. WBCP Recruitment Services Proposal, References and Samples of Work
2. Estimated Executive Director Recruitment Timeline

Attachments:

Attachment 11-A: WBCP Recruitment Services Proposal, References and Samples of Work
Attachment 11-B: Executive Director Recruitment Timeline

WBCP RECRUITMENT SERVICES

OPTION 1

PARTIAL RECRUITMENT

ADVERTISING & HEADHUNTING

Consulting Services: $4,900

CONSULTING SERVICES INCLUDE:

- Hiring authority and stakeholder meetings (up to 2 hours for community/ employee engagement)
- Develop ideal candidate profile & recruitment timeline
- Produce recruitment announcement
- Produce and implement advertising campaign
- Headhunt (LinkedIn, past lists, databases, associations, etc.)
- Implement direct mail campaign (as needed)

*Plus expenses: Between **$3,000 - $4,500** for the advertising plan and creative brochure*

Does not include:

-Travel to client location

-Interview panel coordination

-Background or reference checks

-18-month guarantee

OPTION 2

PARTIAL RECRUITMENT

UP TO INTERVIEWS

Consulting Services: $16,900

CONSULTING SERVICES INCLUDE:

Everything in Option 1, plus...

- Hiring authority and stakeholder meetings (up to 8 hours for community/ employee engagement)
- Application screening
- Shortlist recommendations
- Produce recommended selection assessment tools
- Coordinate candidate scheduling and invitations to interview

*Plus expenses: Between **$3,000 - $4,900** for the advertising plan and creative brochure*

Does not include:

-Travel to client location

-Interview panel coordination

-Background or reference checks

-18-month guarantee

OPTION 3

FULL SEARCH SERVICES

Consulting Services: $24,900

CONSULTING SERVICES INCLUDE:

Everything in Option 2, plus...

- Hiring authority and stakeholder meetings (up to 2 days of community/ employee engagement)
- Panel coordination & interview facilitation
- Background and reference checks
- Virtual and/or in-person interviews (travel up to 3 trips) to client location
- 18-month guarantee

*Plus expenses: Between **$5,500 - $7,500** for the advertising plan and creative brochure; travel expenses; shipping; multiple panel facilitation, etc.*

www.wbcpinc.com

Wendi Brown, President/Owner
wendi@wbcpinc.com | 541-664-0376/ 866-929-WBCP

Sam Sackman, Vice President
sam@wbcpinc.com | 541-630-0657

WBCP

HOURLY RECRUITMENT SERVICES

SENIOR RECRUITMENT CONSULTING SERVICES

$175/hour

ATTACHMENT 11-A

WBCP CONSULTING SERVICES

ORGANIZATIONAL ASSESSMENT & DEVELOPMENT

WBCP will address your organizational issues by identifying strengths, weaknesses, opportunities, and barriers. Our organizational assessments provide actionable recommendations that can be measured.

Our assessment tools can include:

- Surveys
- Interviews
- Focus groups
- Research and analysis
- Data evaluation
- Trends and best practices

CLASSIFICATION & COMPENSATION STUDIES

WBPC provides classification and compensation studies for non-profit and public sector organizations. WBCP's studies include position salary and benefits analysis across identified comparable organizations. Our clients are impressed with our attention to detail and willingness to meet specific needs and deadlines.

JOB DESCRIPTION DEVELOPMENT

Are your antiquated job descriptions hindering your hiring, selection, and succession planning needs?

Contact WBCP to learn more about how we have rewritten and developed new job descriptions for our clients.

POLARIS® COMPETENCY INTEGRATION

WBCP provides management and organizational development services and products through our partnership with Organizational Systems International (OSI). We offer a blend of industrial/ organizational psychology and development that is based on research applied in the workplace. The OSI Polaris® Competency Model is comprehensive and can be applied across all leadership, management, and individual contributor roles.

Competency modeling can improve...

- Recruitment
- Retention
- Performance Management
- Career Development

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WBCP

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WBCP

CLIENTS & RECRUITMENTS

Executive Search and Human Resource Consulting Experts

Trust. Communication. Results.

EXPERIENCE:

WBCP has over 20 years of experience providing search services for public sector and non-profit organizations. We have successfully secured professionals and provided other consulting services in Oregon, Arizona, Colorado, and California.

Oregon, California, and Arizona Cities of: Ashland, Astoria, Calistoga, Central Point, Ceres, Chandler, Gold Hill, Grants Pass, Irvine, Lincoln, Livermore, Medford, Napa, Oxnard, Palo Alto, Petaluma, Phoenix, Sacramento, San Rafael, Santa Paula, Santa Maria, Santa Rosa, Solvang, Redding, Riverside, Roseville, Truckee, and Ventura.

Oregon, California, and Colorado Counties of: Contra Costa, El Paso, Fresno, Humboldt, Jackson, Lake, Lane, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, Stanislaus, and Tuolumne.

Local and National Councils and Districts: Sacramento Library, Valley Water, Sacramento Area Flood Control Agency (SAFCA), Sacramento Area Sewer District & Sacramento Regional County Sanitation District, Olivehurst Public Utility District, Tuolumne Utilities District, North American Blueberry Council/U.S. Highbush Blueberry Council (NABC/USHBC), Boulder Creek Fire Protection District, and Jackson County Fire District 5.

Nonprofit/For-Profit Organizations: Water Forum, Center Point, Options Recovery, Radio Bilingüe, Latino Public Broadcasting, Futures Without Violence (Family Violence Protect Fund); Dogs for Better Lives/Dogs for the Deaf, Community Food Bank, Family Solutions, and NAVA PBC.

Consulting services (*classification and compensation services, competency modeling, job description development, job family development, job analysis*): City of Santa Paula, County of Humboldt, City of Santa Maria, City of Medford, City of Fremont, County of Mariposa, County of Orange, County of Santa Barbara, County of San Luis Obispo, and County of Solano.

INDUSTRIES

- Organizational Leadership
- Planning & Building
- Engineering
- Facilities & Operations
- Marketing & Communications
- Economic Development
- Financial, Accounting/Auditing
- Transportation
- Legal/Counsel/Clerk
- Parks & Recreation
- Community Services & Arts
- Public Works
- Information Technology
- Health & Human Services
- Human Resources
- Safety/Fire/Police

BELOW IS A SELECTION OF POSITIONS THAT WBCP HAS MANAGED IN VARIOUS INDUSTRIES FOR NONPROFITS, CITIES, COUNTIES, AND DISTRICTS:

ECONOMIC DEVELOPMENT

- Director of Innovation and Economic Development, City of Livermore, CA
- Director, Economic Development and Innovation, City of San Rafael, CA

FINANCIAL, ACCOUNTING, AUDITING, FACILITIES, & OPERATIONS

- Finance Director, City of Ashland, OR
- Finance Director, City of Grants Pass, OR
- Finance Director, City of Lincoln, CA
- Finance Director, City of Sacramento, CA
- Director of Finance, Community Food Bank, CA
- Administrative Services/Finance Director, City of Ashland, OR
- Chief Executive Officer/Chief Operating Officer, Futures Without Violence, CA
- Chief Financial Officer, County of Marin Employees Retirement Agency, CA
- Chief Financial Officer, Social Services Department, County of Santa Barbara, CA
- Director of Finance, County of Jackson, OR
- Financial Controller/Finance Director, North American Blueberry Council/USHBC, CA
- Director of Contracts and Procurement, Valley Water, CA
- Division Chief, Auditor Controller, County of San Joaquin, CA
- Internal Audit Chief, County of Santa Barbara, CA
- Senior Principal Accountant, City of San Rafael, CA
- Director of Contracts and Procurement, Valley Water, CA
- Audit Supervisor, County of Santa Barbara, CA
- Internal Audit Chief, County of Santa Barbara, CA
- Payroll Supervisor, County of Santa Barbara, CA
- Finance Manager, County of Santa Barbara, Department of Behavioral Wellness, CA
- Financial Systems Analyst, County of Santa Barbara, CA
- Senior Financial Systems Analyst, County of Santa Barbara, CA
- Accountant Auditor I/II, County of Santa Barbara, CA

HEALTH AND HUMAN SERVICES/HOUSING/UNHOUSED

- Director of Aging and Adult Services, County of Contra Costa, CA
- Director of Health & Human Services, County of Humboldt, CA
- Director of Health Services, Gold Coast Health Plan, CA
- Director of Nursing, County of San Luis Obispo, CA
- Assistant Director, Health and Human Services, County of Solano, CA
- Assistant Public Health Officer (2), County of San Joaquin, CA
- Behavioral Health & Recovery Services Director, County of Stanislaus, CA
- Behavioral Health and Recovery Services Director, County of Marin, CA
- Behavioral Health Director, County of Santa Barbara, CA
- Behavioral Health Director, County of Tuolumne, CA
- Compliance Manager, County of Solano, CA
- Crisis Manager and Forensic Manager, County of Santa Barbara, CA

HEALTH AND HUMAN SERVICES/HOUSING/UNHOUSED (CON'T)

- Director of Nursing, County of Lake, CA
- Director of Social Services, County of San Luis Obispo, CA
- Director of Social Services, County of Santa Barbara, CA
- Director, Health & Human Services, County of Marin, CA
- Director, Health & Human Services, County of Napa, CA
- Director, Health & Social Services, County of Solano, CA
- Director, Health Services Agency, County of Santa Cruz, CA
- Director, Health Services Agency, County of San Luis Obispo, CA
- Director, Health Services Agency, County of Sonoma, CA
- Division Director, Adult Systems of Care, County of Marin, CA
- Executive Vice President, Center Point, CA
- Housing Program Analyst or Manager, City of San Rafael, CA
- Health Services Administrator, County of Solano, CA
- Homeless Program Manager, City of San Rafael, CA
- Medical Director, Public Health Clinics, County of Santa Barbara, CA
- Mental Health Specialists (5), and a Mental Health Manager, County of Jackson, OR
- Nursing Services Manager, County of Marin, CA
- Operations Director, Behavioral Health and Recovery Services, County of Marin, CA
- Physicians (5 openings), Public Health Clinics, County of Santa Barbara, CA
- Public Health Officer, County of Humboldt, CA
- Public Health Officer, County of Lake, CA
- Public Health Officer, County of San Joaquin, CA
- Public Health Officer, County of Stanislaus, CA
- Public Health Officer, County of Tuolumne, CA
- Public Health Nurse I/II and Senior, County of Lake, CA
- Public Health Nurse I/II and Senior, County of San Luis Obispo, CA
- Senior Deputy Director, Public Health Department, County of San Joaquin, CA
- Assistant Public Health Officer – Children's Services, County of San Joaquin, CA
- Assistant Public Health Officer – County of San Joaquin, CA
- Supervising Public Health Nurse, County of Marin, CA

HUMAN RESOURCES

- Executive Director of Human Resources (HR) and Risk Management, County of El Paso, CO
- Human Resources Director, County of Napa, CA
- Human Resources Director, County of Solano, CA
- Human Resources Manager, County of Solano, CA
- Human Resources Manager, City of Milpitas, CA
- Human Resources Director, County of Mariposa, CA
- Human Resources Director, County of Humboldt, CA
- Risk Manager, County of Marin, CA
- Chief Human Resources & Organizational Development Officer, City of Santa Maria, CA

HUMAN RESOURCES (CON'T)

- Director of Employee Experience and Culture, City of San Rafael, CA
- Director, Organizational Effectiveness and Culture, County of Los Angeles, CA
- Recruitment, Retention and Selection Manager, County of Santa Barbara, CA
- Labor Relations Manager, County of Solano, CA
- Deputy Human Resources Director, Labor Relations, County of Marin, CA

INFORMATION TECHNOLOGY

- Chief Information Officer, County of Solano, CA
- Chief Information Officer, City of Chandler, AZ
- Chief Information Officer, City of Santa Maria, CA
- Chief Information Officer, County of San Joaquin, CA
- Chief Information Officer, General Hospital, County of San Joaquin, CA
- Chief Information Security Officer (CISO), County of Santa Barbara, CA
- Chief Innovation Security Officer (CISO), City of Riverside, CA
- IT Program Director, NAVA Public Benefit Company
- Vice President of Engineering, NAVA, (national)
- Digital Services Director, City of San Rafael, CA
- Director of IT, Valley Water, CA
- Assistant IT Director, City of Roseville, CA
- Assistant IT Director, County of Solano, CA
- Assistant IT Manger, County of Marin, CA
- IT Manager – GIS, County of Solano, CA
- IT Manager – Health and Social Services/County Data Services, County of Solano, CA
- IT Manager, County of Santa Barbara, Social Services, CA
- Cloud Migration Architect, County of Santa Barbara, CA
- Infrastructure Architect, County of Santa Barbara, CA
- Operations Technical Support Supervisor, County of Santa Barbara, CA
- Software Engineer (7 positions), County of San Luis Obispo, CA
- Project Manager, County of San Luis Obispo, CA
- IT Programming Analyst, Reporting, County of Santa Barbara, CA
- Operations Technical Support Supervisor, County of Santa Barbara, CA
- Open Text Business Analyst, County of San Luis Obispo, CA
- Network Engineer, City of Santa Maria, CA
- Network Architect, County of Santa Barbara, CA
- Applications Team Supervisor, County of San Luis Obispo, CA
- IT Security Specialist, County of Santa Barbara, CA
- SAP Software Engineer, County of San Luis Obispo, CA
- IT Security Specialist/Engineer, County of Santa Barbara, CA
- Network Administrators, Superior Court CA, County of Santa Barbara, CA
- Senior Programmer, County of Santa Barbara, CA
- Senior Database Administrator, County of Napa, CA
- IT Project Mangers (2 positions), County of Solano, CA
- Data Engineer, County of Solano, CA

LIBRARY

- Library Director & CEO, Sacramento Library Authority, CA
- Library and Recreation Director, City of San Rafael, CA

LEGAL/COUNSEL/CLERK

- Public Defender, County of Santa Cruz, CA
- Public Defender, County of Humboldt, CA
- Chief Public Defender, County of Santa Cruz, CA
- Chief Public Defender, County of Humboldt, CA
- Chief Public Defender, County of Solano, CA
- County Counsel, County of San Bernardino, CA
- County Counsel, County of Napa, CA
- County Counsel, County of Jackson, OR
- County Counsel, County of Solano, CA
- County Counsel, County of Marin, CA
- County Counsel, County of Orange, CA
- Agency Counsel, Sacramento Area Flood Control Agency (SAFCA), CA
- City Attorney, City of Santa Maria, CA
- Assistant City Attorney, City of Santa Maria, CA
- Assistant City Attorney, City of Roseville, CA
- Assistant City Attorney (planning and development), City of Santa Maria, CA
- Deputy County Counsel IV, County of Jackson, OR
- County Counsel I/II, III and Assistant County Counsel (five positions), County of Santa Barbara, CA
- City Clerk, City of Roseville, CA
- City Clerk, City of Livermore, CA
- City Clerk, City of Solvang, CA

ORGANIZATIONAL LEADERSHIP

- Town Manager, Town of Truckee, CA
- City Manager, City of Ceres, CA
- City Manager, City of Santa Rosa, CA
- City Manager, City of Gold Hill, OR
- City Manager, City of Petaluma, CA
- City Manager, City of Phoenix, OR
- City Manager, City of Oxnard, CA
- City Manager, City of Ventura, CA
- General Manager, Olivehurst Public Utility District, CA
- General Manager, Tuolumne Utilities District, CA
- General Manager, LA Public Media, CA
- Chief Executive Officer, CalPIA (California Prison Authority), CA
- Chief Operating Officer, IT and Administrative Services, Valley Water, CA
- Chief Operating Officer, Water Utility Enterprise, Valley Water, CA
- ACEO - Assistant County Executive Officer, County of Napa, CA
- ACEO - Assistant County Administrative Officer, County of Santa Barbara, CA
- ACAO - Assistant County Administrator, County of San Joaquin, CA

ORGANIZATIONAL LEADERSHIP (CON'T)

- Administrative Services and Finance Director, City of Ashland, OR
- Executive Director, Water Forum, CA
- Executive Director, Options Recovery Services, CA
- Executive Director, Latino Public Broadcasting, CA
- Executive Director, First 5 Association of California, CA
- Executive Director, First 5 Santa Barbara County, CA
- Executive Director, First 5 Fresno, CA
- Assistant Director, First 5 San Mateo, CA
- Executive Vice President, Center Point, CA
- Executive Director, Community Food Bank, CA

PARKS AND RECREATION, COMMUNITY SERVICES, & ARTS

- Assistant Director, Recreation and Parks, City of Santa Maria, CA
- Assistant Parks Director, County of Santa Barbara, CA
- Community Development Director, City of Grants Pass, OR
- Community Services Director, City of Irvine, CA
- Community Services Director, City of San Rafael, CA
- Executive Director, Arts Commission, County of Santa Barbara, CA
- Parks Director, City of Ashland, CA
- Parks Director, County of Santa Barbara, CA
- Real Estate Program Manager, Sacramento Area Flood Control Agency, CA

PLANNING & ENVIRONMENTAL/COMMUNITY DEVELOPMENT/BUILDING/TRANSIT

- Community Development Director, County of Lake, CA
- Deputy Community Development Director, County of Lake, CA
- Development Services Director, City of Redding, CA
- Director of Transportation, County of Riverside, CA
- Community Development Director, City of San Rafael, CA
- Planning Director, City of Sacramento, CA
- Planning Manager, City of Grants Pass, OR
- Planning Manager, County of Solano, CA
- Principal Planner, County of Lake, CA
- Principal Planner, Sacramento Area Flood Control Agency (SAFCA), CA
- Planning Director, County of Santa Barbara, CA
- Assistant Planning Director, County of Santa Barbara, CA (2005/2021)
- Senior Planner, County of Lake, CA
- Transit Manager, City of Santa Maria, CA
- Environmental Planning Manager, County of San Luis Obispo, CA
- Groundwater Sustainability Director, County of San Luis Obispo, CA
- Planner I/II/III, County of Santa Barbara, multiple departments (filled 12 positions), CA
- Planner: II/III, Senior Planner, Principle Env. Planner, Div. Mgr, (filled 4 positions) County of SLO, CA
- Chief Building Official, City of Truckee, CA
- Chief Building Official, City of Arcata, CA

PLANNING & ENVIRONMENTAL/COMMUNITY DEVELOPMENT/BUILDING/TRANSIT (CON'T)

- Chief Building Official, City of Astoria, OR
- Chief Building Officer, City of San Rafael, CA
- Chief Building Official, City of Calistoga, CA
- Construction Manager, Valley Water, CA
- County Surveyor, County of Santa Barbara, CA
- Subdivision & Mapping Manager, City and County of San Francisco, CA

PUBLIC SAFETY

- Chief of Police, City of Sacramento, CA
- Deputy/Chief of Police, Oakland Housing Authority, CA
- Fire Chief, City of Hemet, CA
- Fire Chief, County of Jackson Fire District 5, OR
- Fire Chief, Boulder Creek Fire Protection District, CA
- Chief of Emergency Management, County of Santa Barbara, CA
- Deputy Fire Chief, City of Santa Maria, CA
- Deputy Fire Chief, Wildlands, County of Marin, CA
- Emergency Communications Manager, City of Astoria, OR
- Defensible Space Program Manager, City of San Rafael, CA

PUBLIC WORKS, TRANSPORTATION, & ENGINEERING

- Director of Transportation, County of Riverside, CA
- Director of Engineering, City of Ceres, CA
- Chief Operating Officer, Water Utility Enterprise, Valley Water, CA
- Chief Operating Officer, Administrative and Contract Services, Valley Water, CA
- Power Engineer, City of Roseville, CA
- Director of Public Works, City of Solvang, CA
- Director of Public Works, City of Roseville, CA
- Director of Public Works, City of San Rafael, CA
- Director of Public Works, City of Santa Maria, CA
- Director of Public Works, City of Ashland, OR
- Assistant Director Public Works, County of Marin, CA
- Assistant Director of Public Works, City of Santa Paula, CA
- Deputy Operating Officer, Watersheds Design and Construction, Valley Water, CA
- Deputy Operating Officer, Water Utility Capital, Valley Water, CA
- Deputy Operating Officer, Watersheds Operations and Maintenance, Valley Water, CA
- Deputy Operating Officer, Raw Water, Valley Water, CA
- Deputy Director Public Works, Civil/Traffic Engineer, County of Marin, CA
- Deputy Director Public Works/Traffic Engineer, City of San Rafael, CA
- Deputy PW Director/Principal Civil Engineer/Traffic Engineer, City of Santa Maria, CA
- Assistant Operating Officer of Watershed Stewardship & Planning Div., Valley Water, CA
- Assistant Operating Officer, Treated Water, Valley Water, CA
- Assistant Operating Officer, Dam Safety and Capital Delivery, Valley Water, CA
- Street Maintenance Superintendent, City of Roseville, CA

PUBLIC WORKS, TRANSPORTATION, & ENGINEERING (CON'T)

- Unit Manager, Treatment Plant Design & Commissioning Manager, Valley Water, CA
- Unit Manager, Engineering Utility Operations and Maintenance Manager, Valley Water, CA
- Unit Manager, Asset Management, Valley Water, CA
- Principal Civil Engineer, City of Santa Maria, CA
- Project Engineer/Power Engineer, City of Palo Alto, CA
- Electric Project Engineer, City of Palo Alto, CA
- Electric Linesperson/Cable Splicer (High Voltage Lineman), City of Palo Alto, CA
- Electric Operations Manager, City of Palo Alto, CA
- Civil Engineer, Project Manager & Assistant Project Manager, Morton and Pitalo, Sacramento, CA
- Industrial / Mechanical Senior Engineer, SWEED, OR

OTHER:

- Dir. of Policy and Planning, SASD & SRCSD (Sewer and Sanitation District), County of Sacramento, CA
- Public Relations Specialist, Valley Water, CA
- Certified Dog Trainers, Dogs for Better Lives, OR
- Administrative Assistant, Legal Counsel, Valley Water, CA
- Marketing and Communications Director, North American Blueberry Council, CA
- Director of Communications and Industry Relations, North American Blueberry Council, CA
- Agriculture Commissioner/Weights and Measures Director, County of Marin, CA
- Assistant Director, Agriculture Commissioner/Weights and Measures, County of Santa Barbara, CA
- VP/Business Development Director, WBCP Inc., OR
- COO, WBCP Inc., OR
- Director of Marketing & Communications, WBCP Inc., OR
- Social Media Coordinator, WBCP Inc., OR

BEHAVIORAL HEALTH & RECOVERY SERVICES DIRECTOR

STANISLAUS, COUNTY

Salary: 129,521.60–$194,292.80 Annually, DOQ/DOE

Stanislaus County is looking for a Director of Behavioral Health and Recovery Services (BHRS). The County seeks a leader with passion, experience, vision and dedication to serving our community. Successful candidates will be a behavioral health professional with expertise implementing complex behavioral health and recovery services and overseeing a multi-million dollar budget with complex *and* blended funding sources. The Director is also responsible for various 24 hour a day patient facilities and manages significant community and provider contracts. Our ideal candidate is a collaborator, innovator, and someone with zeal and dedication and who operates on a belief that individuals can and do recover from mental illness and alcohol and drug addiction.

THE DEPARTMENT

BHRS provides integrated mental health services to adults and older adults with a serious mental illness and to children and youth with a serious emotional disturbance. BHRS also provides outpatient and residential alcohol and drug treatment and prevention services and serves as Stanislaus County's Public Guardian. Our department services are provided in community-based locations throughout the County and include 80 County administered programs. We provide these services through a system of both community-based and County-operated services. BHRS has a strong emphasis on partnering with consumers and families, on providing culturally competent services and ***operates on a belief that individuals can and do recover from mental illness and alcohol and drug addiction.***

Our County's vision is to be the "Best County in America" and our Behavioral Health and Recovery Services Department is regarded as one of the best behavioral health organizations in the State of California.

Additional services provided by BHRS include:

- Crisis emergency response services to all residents of Stanislaus County.
- Housing and employment services to persons with serious mental illness.
- Assessment and treatment services to handicapped and disabled students with serious emotional disturbance.
- Mental Health and Alcohol and Drug assessment and treatment service and Temporary Assistance to Needy Families (TANF) recipients with Welfare to Work plans.
- Fiscal and administrative support for the entire BHRS Department, including quality improvement, risk management, performance measurement, and employee training.
- Clinical and support services to families that have had incidents of child abuse, neglect, or domestic violence and are seen by the collaborative Stanislaus Family Justice Center.
- Assessment and referral under the Specialty Mental Health Plan.
- Step-down inpatient treatment program at County-owned Psychiatric Health Facility.
- Crisis Stabilization Unit provides opportunities to avoid hospitalization when appropriate.
- A Children/Adolescent Crisis Intervention Program will be implemented this summer to assist in reducing hospitalizations.
- Director is a member of the local Community Corrections Partnership (CCP), an integrated partnership with law enforcement.

In partnership with our community, BHRS' mission is to provide and manage effective prevention and behavioral health services that promote the community's capacity to achieve wellness, resilience, and recovery outcomes. We have a great team in Stanislaus County ranging from individual contributors up to executive leadership. This is a county where people care about each other and their community members, and we demonstrate this through our values, commitment and dedication. This is a great place to work as we foster a culture that is centered on community connection. A fantastic example of this is our **Focus on Prevention Initiative:**

FOCUS ON PREVENTION INITIATIVE is a long-range strategy to address difficult social conditions impacting Stanislaus County. The initiative originally had four main areas of focus: preventing homelessness; strengthening the family; investing in and supporting children and youth; and reducing the number of repeat criminal offenders. The program is engaging ten different sectors of the community and is promoting organizations working together toward a common set of objectives. A community forum on homelessness called "Finding Our Way—A Summit on Homelessness" took place in October, 2015 with approximately 500 attendees. You can find more information at by visiting **www.preventionfocus.net**

THE JOB

The Behavioral Health and Recovery Services Director is an at-will position appointed by the County Executive Officer and reports to the County Chief Operations Officer. This position oversees an approximate operating budget of $109 million and leads an eight member senior management team who oversee the work of approximately 450 staff.

Budgets within behavioral health and recovery services include:

- Behavioral Health and Recovery Services
- Alcohol and Drug Program
- Managed Care
- Mental Health Services Act
- Public Guardian
- Stanislaus Recovery Center

Programs and services within the budgets fall under six main categories:

- Managed Care, Quality and Compliance
- Forensics System of Care (includes Public Guardian)
- Administrative Services
- Children System of Care
- Adult System of Care
- Consumer & Family Affairs

The BHRS Director works closely with state and federal agencies, elected officials, the County Executive Office, the Mental Health Board, and other County departments. Services are highly integrated with other County Departments, such as: Probation, Community Services Agency, Sheriff, etc. In addition, he/she will play a strategic and critical role in collaborating with our employees, foundations, committees, community-based organizations, and the community-at-large to set local priorities and ensure a holistic, client-centered approach to programs and services.

THE IDEAL CANDIDATE

We are seeking a leader with passion, vision and dedication to serve our community. Successful candidates will be a behavioral health professional with expertise implementing complex behavioral health and recovery services and overseeing a multi-million dollar budget.

Our ideal candidate is a collaborator, innovator, an effective partner and someone who will continue our legacy as being one of the best behavioral health organizations in the State of California.

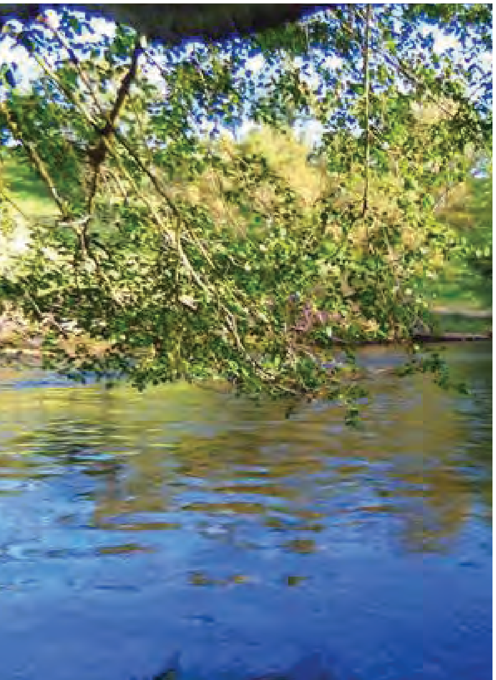
Our candidate should also demonstrate competency in the following areas:

CLICK HERE to review this position's education and employment standards.

Leadership & Communication

- Support, mentor and guide staff to maximize their expertise and ability to work as a team.
- Provide strong leadership, vision and administrative support to County leaders.
- Assess organizational and community needs and successfully identify and hire new talent.
- Uphold public trust and lead with integrity and unquestionable ethics.
- Recognize the importance of providing consistency in decision making and leadership of staff.
- Bring together the organization to ensure BHRS divisions are working together.
- Create a path to success and provide resources and autonomy for staff to succeed.
- Be a capacity builder and move the department in a direction that is better for the community.
- Present and communicate effectively both orally and in writing.
- Develop trusted relationships and successfully influence others.
- Approachable, good listener, transparent, inspiring, and flexible.





Programs/Services

- Possess a big picture understanding of mental health and recovery service programs.
- Maintain current knowledge of associated program developments, research and strategies.
- Develop evidence-based practices and evaluation systems that demonstrate successes and endorse accountability
- Effectively utilize evaluation data to create continuous improvement goals.
- Ensure all programs are structured to make services accessible to all.

Partnerships/Legislative Affairs/Political Acumen

- Attend local and statewide meetings and conferences.
- Represent the County on multiple local boards and commissions.
- Keep a finger on the pulse of what is happening at the state and federal level regarding health and human services and monitor legislation and engage decision makers on recommended policy change.
- Successfully work and maintain relationships with the County Board of Supervisors and Executive Office.
- Strong partner with local law enforcement agencies.

Business Administration/Fiscal Management

- Manage a $109 million budget with complex, multi-funding streams and billing processes which are guided by state and federal mandates.
- Keep a pulse on systems' best practices and use technology to improve process efficiencies.
- Expertise regarding the complexities of behavioral health and programmatic financing.
- Develop and oversee the implementation of the annual budget, initiatives and strategic priorities.
- Design and facilitate improvements to service delivery systems to maximize effectiveness and access to services.
- Adhere to all fiscal and legal responsibilities as well as federal and state mandates.
- Demonstrate operational agility and effectively leverage resources.

THE ORGANIZATION & COMMUNITY

Stanislaus County is in the heart of everything—it is located in Central California within 90 minutes of the San Francisco Bay Area, Silicon Valley, Sacramento, the Sierra Nevada Mountains and California's Central Coast. With approximately 4,100 county staff and 532,000 people calling this area home, our community reflects a region rich in diversity with a strong sense of community.

The County has an elected five member Board of Supervisors and a 2015/16 fiscal budget of $1.1 billion. The City of Modesto is the seat of the County which has a mild climate, affordable California living, home to a vibrant arts community and the world-class Gallo Center for the Performing Arts. The area is recognized internationally for agricultural innovation and is home to California State University, Stanislaus, Modesto Junior College and other educational institutions.

Stanislaus County serves the public interest by promoting public health, safety, welfare and the local economy in an efficient, cost-effective manner. The Board of Supervisor's priorities include:

- A safe community
- A Healthy community
- As strong local economy
- Effective partnerships
- A strong agricultural economy/heritage
- A well-planned infrastructure system
- Efficient delivery of public services

As a county whole we value trustworthiness, respect for others, responsibility in being accountable for our actions and pursuing excellence, fairness in how we treat others, caring and showing concern for the well-being of others and citizenship by obeying laws and regulations.

"Teamwork is the ability to work together toward a common vision, the ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."

–Andrew Carnegie

HOW TO APPLY

Send your resume to Wendi Brown by JUNE 7, 2016 for first consideration.

Submit a cover letter and resume to Wendi Brown at:
wendi@wbrowncreative.com *–or–* fax to: **866-224-1423**

Applications will need to be completed later in the recruitment process for candidates invited to interview. Questions? Please call:
541-858-0376 (direct) *–or–* **866-929-WBCP (toll free)**

JOB OPPORTUNITY NAPA COUNTY

"A Tradition of Stewardship.

A Commitment to Service."

DIRECTOR OF HEALTH AND HUMAN SERVICES

Salary: $159,536 - $192,608 Annually

(salary is currently under review)

Napa County is seeking a Director of Health and Human Services who is a collaborative, executive leader with significant experience in the field of Health and Human Services, ideally within the State of California, to lead its largest County Agency which provides comprehensive social, mental health, public health and alcohol and drug services. As Director you will be the driving force in maintaining the excellent service the Agency already provides, while leading this organization to the next level. *Apply today to join our team and make a difference in the thousands of lives we serve in the Napa County community.*

A Tradition of Stewardship
A Commitment to Service

THE AGENCY

The Napa County Health and Human Services Agency provides a variety of services aimed at building healthy, self-sufficient individuals, families and communities. Health and Human Services is an integrated agency (a.k.a.; "super agency") and delivers services and programs to residents of the County and its five cities from 10 divisions:

- Public Health Services
- Mental Health Services
- Alcohol and Drug Services
- Child Welfare Services
- Comprehensive Services for Older Adults
- Self Sufficiency Services
- Fiscal Services
- Operations Services
- Quality Management Services
- Organizational Resource and Development Services

The shared vision of the Board of Supervisors, County employees, community partners, residents and volunteers support our strong commitment to our clients. The Agency's overarching strategic initiatives include:

- **Improving the Community's Health and Well-Being**
- **Integration of Services**
- **Focusing on Continuous Quality Improvement**
- **Investing in Ourselves as a Workforce**

Currently the Agency provides services from multiple County locations, as well as several other community-based facilities around the County. The Board of Supervisors has recently committed significant funding to rebuild the Agency's main campus. The Agency will likely relocate to one consolidated 25 acre campus in 2015. These new facilities will provide the resources and accommodations needed to improve the efficiency and effectiveness of services provided to our clients.

The Agency has significant support from the Board of Supervisors with a budget totaling over $89 million for the current fiscal year, which includes approximately $16 million in funding from the County's General Fund. Overall, much has been done over the years to ensure that the Health and Human Services Agency is a healthy, transparent, well-respected and well-run organization. For the past several years the Agency has been pursuing the organizational model of "Collaborative Management" based on the premise that the Agency will be more effective and productive if employees feel safe, respected and professionally fulfilled.

IDEAL CANDIDATE

The ideal candidate for Director of Health and Human Services will lead this important County Department in building a vision for the future that is shaped by the desire to work collaboratively with key stakeholders creating a better quality of life for everyone in our diverse community. This is an at-will position that oversees an $89 million budget, 10 division managers and over 400 employees. This position is appointed by the Board of Supervisors as a member of the County's senior management team, and works with the County Executive Officer on a day to day basis providing advice and counsel regarding strategic policy and problem solving issues related to health and humans services in the County. The ideal candidate will have excellent leadership skills, and the expertise and vision to continue effective and efficient management of the Agency while also leading future growth and advancement of the County's goals. This candidate is an experienced organizational leader who excels at leveraging the technical expertise of internal and external resources and is a proven professional who takes initiative, is results oriented, builds positive relationships, develops others, and is diplomatic and an excellent communicator. The ideal Director will manage competing demands, have a passion for public service, a desire to serve the most vulnerable, and a dedication to supporting the social, ethnical and cultural values of the community.

Preferred background and credentials include:

Any combination of education and experience that would likely provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the knowledge, skills, and abilities would be:

EXPERIENCE:

- Ten years of progressively responsible experience in a public or non-profit agency including five years of management and administrative responsibility.
- Experience in an integrated service delivery model (health and social services) is preferable.

EDUCATION:

- A Bachelor's degree from an accredited college or university with major course work in health administration, social work, substance abuse, business administration, public administration, or a related field; an advanced degree is highly desirable.

In addition, we are looking for a candidate who can demonstrate competency in the following areas:

LEADERSHIP

- Uses best practices in organizational management to increase efficiencies and effectiveness
- Understands and values the importance of diversity in the workplace
- Has leadership skills that inspire employees and create a positive and rewarding work environment
- Recognizes the importance of providing consistency in decision making and leadership of staff
- Supports, mentors and guides staff to maximize their expertise and ability to work as a team
- Provides strong leadership, vision and administrative support to County leaders and staff
- Assesses organizational and community needs and successfully collaborates with community partners
- Uses adept problem-solving skills and takes a flexible approach to decision making
- Upholds public trust and leads with integrity, transparency and unquestionable ethics

PARTNERSHIPS / LEGISLATIVE AFFAIRS / POLITICAL ACUMEN

- Understands internal and external needs related to weaving services between government and community-based organizations to support the needs of the community
- Successfully works with and maintains relationships with labor management groups
- Travels to attend local and occasionally statewide meetings related to Agency programs and policies
- Represents the County at various community meetings and sit-on multiple local boards, groups and committees
- Monitors legislation and engages decision makers on policy and measures that may affect programs and services

BUSINESS ADMINISTRATION / FISCAL MANAGEMENT

- Has extensive experience in preparing and monitoring large and complex budgets
- Has sound working knowledge of the complexities of social service, healthcare and other programmatic financing
- Is detail orientated and has an understanding of compliance issues related to a governmental agency
- Develops practices that endorse accountability and assists in achieving continuous improvement goals
- Adheres to all fiscal and legal responsibilities as well as federal and state mandates
- Demonstrates operational agility to provide needed services

PROGRAMS / SERVICES

- Is actively involved in the countywide management and implementation of: Affordable Care Act, call center networking, Katie A, Healthy Kids, MediCal, Public Health Reform, etc.
- Designs and facilitates improvements to service delivery systems
- Possesses a big picture understanding of comprehensive programs and services
- Stays informed regarding innovative and best practices associated with health and social service programs and services
- Makes certain all programs are structured to ensure accessibility to all

COMMUNICATIONS

- Is the face of the Agency representing the department and services to the community
- Develops trusted relationships and successfully influences others
- Has the ability to write clear and effective communications
- Uses excellent verbal and written communications to clearly articulate vision and strategy
- Uses adept public speaking and media relations skills

THE COUNTY

The County is home to over 135,000 diverse residents who share a strong sense of community and a legacy of preserving and protecting their rich agricultural heritage. Located in the heart of California's preeminent wine region, Napa County is also part of the dynamic San Francisco Bay Metropolitan Area. With its sunny Mediterranean climate and proximity to the mountains and the ocean, the County offers residents easy access to virtually unlimited shopping, dining, cultural and recreational opportunities. Most Napa County residents live in one of the County's five incorporated cities or towns, ranging from Napa, the County seat with a population of 74,000, to Yountville, with 3,280 residents. With its strategic location, natural and cultural resources, history of responsible land use planning and attractive quality of life, Napa County offers its residents the ideal mix of small town living and big city amenities.

A general law county, Napa County is governed by a five-member Board of Supervisors who appoint a County Executive Officer who is responsible for providing overall management for the County's operations, including day-to-day supervision of the County's appointed department heads. The County has a budget of over $452 million, with a General Fund budget of approximately $176 million and has enjoyed relative financial stability in recent years; even during the recent economic downturn. The County's over 1,300 employees provide services to the public through 18 departments; five managed by elected officials and the remainder managed by a department head appointed by the Board of Supervisors based on the recommendation of the County Executive Officer. As an organization, the County is dedicated to improving the lives of its residents and reflecting the best of the community's values: integrity, accountability and service; and their mission to preserve agriculture and the environment and to provide leadership and services to advance the health, safety and economic well-being of current and future generations.

SALARY - **$159,536 - $192,608** Annually DOE/DOQ (salary is currently under review)

BENEFITS - **For more detailed benefits information, *"Click Here"***

- **Medical Insurance -** Choice of a variety of CalPERS Health Plans. The County makes a significant contribution toward premium for employee and dependents.
- **Dental Insurance -** Choice of two Delta Dental plan options. County pays full premium for employees and their dependents.
- **Vision Insurance -** Employee pays premium for coverage.
- **Life Insurance -** Equal to one times annual salary with the premium paid by the County; option to purchase additional insurance.
- **Employee Assistance Program -** Employees and their dependents.
- **Short-term Disability-** County paid STD plan in lieu of SDI.
- **Long-term Disability -** 2/3 of current salary paid after 90 day waiting period.
- **Deferred Compensation -** Voluntary plan; eligible for annual employer match up to $1,000.
- **Vacation -** 15 – 26 days annually based on years of service. Prior government service can be used in calculating vacation accrual rate at time of hire with the approval of the County Executive Officer.
- **Sick Leave -** Twelve days annual sick leave with unlimited accrual.
- **Holidays -** Eleven paid holidays per year.
- **Personal Leave -** 19 hours credited during the first pay period of the fiscal year.
- **Management Leave -** 80 hours per fiscal year.
- **Automobile allowance -** $220.00 twice monthly.
- **Retirement -** The County participates in the California Public Employees' Retirement System (CalPERS).
- **Post-retirement Medical -** County offers a post-retirement medical benefit program.
- **Cell phone/Blackberry allowance -** Allowance dependent upon usage.

The County of Napa does not participate in Social Security.

HOW TO APPLY - ***Apply by October 4, 2013.*** **Email your cover letter and resume to:**

- wendi@wbrowncreative.com, or
- Fax to: 866-224-1423
- Contact Wendi Brown with questions: 541-858-0376 (direct), or 866-929-WBCP (toll free)

EXECUTIVE DIRECTOR RECRUITMENT

An Estimated Timeline

12/1 - 1/1
Evaluation, Selection & Board Approval of Recruiting Firms

1/1 - 2/1
Recruiter meets w/Governing Board, Executive Team, Commissioners, Stakeholders

2/1 - 2/15
Drafting & Distribution of recruitment brochure

2/15 - 3/15
Application Submission & Evaluation

3/15 - 4/15
Candidate Interviews & Selection

APRIL 2022
HIRE

Subject to Change

ATTACHMENT 11-B

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **December 15, 2021**

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

FROM: **Jesse H. Duff, Interim Executive Director**

SUBJECT: **Executive Director's Monthly Report**

COVID-19 OPERATIONS UPDATE

Towards the end of summer, Tri-City began a gradual approach to returning to work onsite by requiring all staff to be onsite one day per week as of August 2, 2021. On October 4, 2021, we moved to two days of onsite work per week with the plan to move to three days on January 3, 2022.

As has been a constant topic in the media, COVID-19 is still upon us, and unfortunately, the nation is still in the midst of a state of emergency due to the pandemic. The latest variant of COVID-19, Omicron, has been identified in Los Angeles County and is said to be more contagious than previous variants, the reality is that this pandemic is still very real and present.

Therefore, it has been determined that Tri-City will postpone the plans to return to onsite work three days a week in January. Rather, Tri-City will continue with our current return to work plan of a minimum of two days of onsite work per week for those programs and operations that have telework. This plan will be in effect until further notice.

It is our hope that in Spring of 2022, we will have noticed a change with regard to pandemic restrictions and at that time can revisit loosening our COVID-19 protocols and practices. Until then, we will continue to mask up, have physical distance and disinfect.

HUMAN RESOURCES UPDATE

Staffing – Month Ending November 2021

- Total Staff is 174 full-time and 16 part-time plus 47.5 full time vacancies, 3 part time vacancies, for a total of 231 positions.
- There were 8 new hires in November.
- There were 6 separations in November.

Workforce Demographics in November 2021

- American Indian or Alaska Native = 0.53%
- Asian = 9.47%
- Black or African American = 5.79%

- Hispanic or Latino = 58.42%
- Native Hawaiian or Other Pacific Islander = 0.53%
- Other = 8.42%
- 2 or more races = 1.58%
- White or Caucasian = 15.26%

Posted Positions in November 2021

- Clinical Supervisor I - Adult FSP (1 FTE)
- Clinical Supervisor I - AOP (1 FTE)
- Clinical Supervisor I - COP (1 FTE)
- Clinical Therapist I/II Access to Care (1 FTE)
- Clinical Therapist I/II - Adult (5 FTEs) *1 hire pending*
- Clinical Therapist I/II – Child & Family (6 FTEs) *2 hires pending*
- Compliance Administrator (1 FTE)
- Community Navigator (3 FTEs)
- Diversity Equity & Inclusion Coordinator (1 FTE)
- Executive Director (1 FTE)
- Housing Wellness Advocate (.5 FTE)
- Human Resources Analyst (1 FTE)
- Information Technology Specialist II (1 FTE)
- Psychiatric Technician I/II/III – Adult FSP (1 FTE)
- Program Support Assistant II – Program Support (3 FTEs) *3 hires pending*

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 15, 2021

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance Report

UNAUDITED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2021 (2022 FISCAL YEAR-TO-DATE):

The financials presented herein are the PRELIMINARY and unaudited financial statements for the four months ended October 31, 2021. 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 $6.6 million. MHSA operations accounted for approximately $7.2 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 2021, Tri-City received MHSA funding of approximately $15.4 million, of which $8.4 million were for approved programs for fiscal 2021-22 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2021. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2021-22. In addition, during this current fiscal year 2021-22 approximately $7.7 million in MHSA funding has been received of which $3.3 million was identified and approved for use in the current fiscal year 2021-22 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately $11.7 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent, as the timing of expenditures will lag behind the timing of revenue recognition.

The decrease in net position of approximately $646 thousand is from Clinic outpatient operations, which is the result of operations for the four months ended October 31, 2021, which includes one-time payments made at the beginning of the year.

The total cash balance at October 31, 2021 was approximately $35.7 million, which represents an increase of approximately $814 thousand from the June 30, 2021 balance of approximately $34.9 million.

Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had a decrease in cash of approximately $2.3 million. The decrease reflects the use of cash to pay off the mortgage, one-time costs such as insurance premiums and CalPERS Unfunded Annual Liability (UAL) payments, it is also the result of recognized FFP/EPSDT revenue that has not yet been collected to-date. MHSA operations reflected an increase in cash of approximately $3.1 million, after excluding intercompany receipts or costs resulting from clinic operations. The increase reflects the receipt of approximately $7.7 million in MHSA funds offset by the use of cash for MHSA operating activities.

Approximately $2.3 million in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the four months ended October 31, 2021.

UPCOMING, CURRENT EVENTS & UPDATES

<u>Overall Financial Update:</u>

We are continuing to closely monitor for any new developments and updated revenue projections from CBHDA. 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.

The fiscal year 2020-21 independent financial statement audit interim fieldwork started mid-June 2021 with the final phase having begun in September 2021. The issuance of the audited financial statements is targeted for December of 2021.

<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 four months ended October 31, 2021.

		MHSA	
Cash at October 31, *2021*	$	29,542,440	
Receivables net of Reserve for Cost Report Settlements		(166,140)	
Prudent Reserves		(2,200,000)	*
Estimated Remaining Expenses for Operations FY 2021-22		(9,125,160)	**
Reserved for future CFTN Projects including TCG		(1,247,389)	
Total Estimated Adjustments to Cash		(12,738,689)	
Estimated Available at June 30, 2022	$	16,803,751	
Estimated remaining funds to be received in FY 2021-22	$	4,874,853	

* Per the recently approved SB 192, Prudent Reserves are now 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 adopted operating budget for fiscal year 2021-22, including actual and estimated amounts to year end 06/30/2022.

<u>Attachments</u>

Attachment 13-A: October 31, 2021 Unaudited Monthly Financial Statements

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION

	AT OCTOBER 31, 2021			AT JUNE 30, 2021		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
Current Assets						
Cash	$ 6,170,183	$ 29,542,440	$ 35,712,623	$ 8,578,296	$ 26,320,242	$ 34,898,537
Accounts receivable, net of reserve for uncollectible accounts $520,042 at October 31, 2021 and $482,113 at June 30, 2021	4,021,247	2,466,473	6,487,721	3,656,192	2,344,087	6,000,279
Total Current Assets	10,191,430	32,008,914	42,200,344	12,234,488	28,664,329	40,898,816
Property and Equipment						
Land, building, furniture and equipment	3,834,279	9,612,890	13,447,169	3,778,377	9,595,862	13,374,238
Accumulated depreciation	(2,572,816)	(3,949,452)	(6,522,268)	(2,519,499)	(3,809,586)	(6,329,086)
Total Property and Equipment	1,261,463	5,663,437	6,924,901	1,258,877	5,786,276	7,045,153
Other Assets						
Deposits and prepaid assets	224,282	572,212	796,494	66,611	572,212	638,823
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	1,485,745	9,035,649	10,521,395	1,325,488	9,158,488	10,483,976
Total Assests	$ 11,677,176	$ 41,044,563	$ 52,721,739	$ 13,559,976	$ 37,822,816	$ 51,382,792
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	2,893,978	-	2,893,978	2,893,978	-	2,893,978
Total Deferred Outflows of Resources	2,893,978	-	2,893,978	2,893,978	-	2,893,978
Total Assets and Deferred Outflows of Resouces	**$ 14,571,154**	**$ 41,044,563**	**$ 55,615,717**	**$ 16,453,954**	**$ 37,822,816**	**$ 54,276,771**
LIABILITIES						
Current Liabilities						
Accounts payable	303,854	-	303,854	554,813	1,144	555,956
Accrued payroll liabilities	517,114	-	517,114	587,125	115,353	702,478
Accrued vacation and sick leave	498,580	1,018,455	1,517,034	633,584	1,078,193	1,711,777
Reserve for Medi-Cal settlements	3,157,926	2,632,613	5,790,539	3,062,368	2,537,262	5,599,630
Current portion of mortgage debt	-	-	-	771,676	-	771,676
Total Current Liabilities	4,477,473	3,651,068	8,128,541	5,609,565	3,731,951	9,341,517
Intercompany Acct-MHSA & TCMH	(418,691)	418,691	-	(314,268)	314,268	-
Long-Term Liabilities						
Mortgages and home loan	-	58,872	58,872	-	58,872	58,872
Net pension liability	6,325,906	-	6,325,906	6,325,906	-	6,325,906
Unearned MHSA revenue	-	4,830,548	4,830,548	-	435,392	435,392
Total Long-Term Liabilities	6,325,906	4,889,420	11,215,326	6,325,906	494,264	6,820,170
Liabilities Subject to Compromise						
Class 2 General Unsecured Claims	-		-	-		-
Class 3 Unsecured Claim of CAL DMH	-		-	-		-
Class 4 Unsecured Claim of LAC DMH	-		-	-		-
Total Liabilities Subject to Compromise	-	-	-	-	-	-
Total Liabilities	10,384,688	8,959,179	19,343,867	11,621,203	4,540,483	16,161,686
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	8,413,847	8,413,847
Deferred inflows related to the net pension liability	45,120	-	45,120	45,120	-	45,120
Total Deferred Inflow of Resources	45,120	-	45,120	45,120	8,413,847	8,458,967
NET POSITION						
Invested in capital assets net of related debt	1,261,463	5,663,437	6,924,901	487,201	5,786,276	6,273,477
Restricted for MHSA programs	-	26,421,946	26,421,946	-	19,082,210	19,082,210
Unrestricted	2,879,882	-	2,879,882	4,300,430	-	4,300,430
Total Net Position	4,141,345	32,085,383	36,226,729	4,787,631	24,868,486	29,656,117
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 14,571,154**	**$ 41,044,563**	**$ 55,615,717**	**$ 16,453,954**	**$ 37,822,816**	**$ 54,276,771**

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
FOUR MONTHS ENDED OCTOBER 31, 2021 AND 2020

	PERIOD ENDED 10/31/21			PERIOD ENDED 10/31/20		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
OPERATING REVENUES						
Medi-Cal FFP	$ 1,097,378	$ 987,686	$ 2,085,064	$ 1,176,413	$ 1,036,747	$ 2,213,160
Medi-Cal SGF-EPSDT	238,519	204,652	443,171	247,237	183,846	431,083
Medicare	4,868	2,704	7,572	333	607	940
Contracts	2,500	9,579	12,079	188,442	9,689	198,131
Patient fees and insurance	425	29	454	140	-	140
Rent income - TCMH & MHSA Housing	4,947	24,434	29,381	8,468	31,805	40,272
Other income	340	130	470	52,909	257	53,166
Net Operating Revenues	**1,348,975**	**1,229,215**	**2,578,190**	**1,729,436**	**1,327,188**	**3,056,624**
OPERATING EXPENSES						
Salaries, wages and benefits	2,788,935	4,182,955	6,971,890	2,625,191	4,126,670	6,751,861
Facility and equipment operating cost	251,046	481,994	733,040	185,368	393,648	579,015
Client lodging, transportation, and supply expense	90,913	520,074	610,987	115,350	818,156	933,506
Depreciation	53,316	139,866	193,182	47,445	138,464	185,908
Other operating expenses	206,520	425,851	632,372	173,472	421,592	595,064
Total Operating Expenses	**3,390,731**	**5,750,740**	**9,141,471**	**3,146,825**	**5,898,529**	**9,045,354**
OPERATING (LOSS) (Note 1)	**(2,041,755)**	**(4,521,526)**	**(6,563,281)**	**(1,417,389)**	**(4,571,342)**	**(5,988,730)**
Non-Operating Revenues (Expenses)						
Realignment	1,218,450	-	1,218,450	1,658,167	-	1,658,167
MHSA funds	-	11,719,531	11,719,531	-	12,401,929	12,401,929
Grants and Contracts	184,779		184,779	(8,000)	-	(8,000)
Interest Income	4,080	18,892	22,972	12,283	59,703	71,986
Interest expense	(11,840)	-	(11,840)	(13,530)	-	(13,530)
Total Non-Operating Revenues (Expense)	1,395,470	11,738,423	13,133,893	1,648,920	12,461,632	14,110,552
INCOME (LOSS)	**(646,286)**	**7,216,898**	**6,570,612**	**231,532**	**7,890,291**	**8,121,822**
INCREASE (DECREASE) IN NET POSITION	**(646,286)**	**7,216,898**	**6,570,612**	**231,532**	**7,890,291**	**8,121,822**
NET POSITION, BEGINNING OF YEAR	4,787,631	-	4,787,631	3,879,375	22,645,870	26,525,245
NET POSITION, END OF MONTH	**$ 4,141,345**	**$ 7,216,898**	**$ 11,358,243**	**$ 4,110,906**	**$ 30,536,160**	**$ 34,647,067**

(**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
FOUR MONTHS ENDED OCTOBER 31, 2021 AND 2020

	PERIOD ENDED 10/31/21			PERIOD ENDED 10/31/20		
	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	$ 1,166,852	$ 1,188,160	$ 2,355,012	$ 2,770,492	$ 1,671,502	$ 4,441,993
Cash payments to suppliers and contractors	(957,109)	(1,429,063)	(2,386,172)	(590,185)	(1,822,222)	(2,412,407)
Payments to employees	(2,993,950)	(4,358,046)	(7,351,996)	(2,923,924)	(3,733,695)	(6,657,619)
	(2,784,207)	(4,598,948)	(7,383,155)	(743,617)	(3,884,415)	(4,628,033)
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	7,700,731	7,700,731	-	7,128,287	7,128,287
CalHFA-State Administered Projects	-	110	110	-	35,690	35,690
Realignment	1,218,450	-	1,218,450	1,658,167	-	1,658,167
Grants and Contracts	94,509	-	94,509	(8,000)	-	(8,000)
	1,312,959	7,700,841	9,013,800	1,650,167	7,163,978	8,814,145
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(55,903)	(17,028)	(72,931)	(86,515)	(39,068)	(125,583)
Principal paid on capital debt	(771,676)	-	(771,676)	(10,023)	-	(10,023)
Interest paid on capital debt	(11,840)	-	(11,840)	(13,530)	-	(13,530)
Intercompany-MHSA & TCMH	(104,423)	104,423	-	(35,456)	35,456	-
	(943,841)	87,395	(856,446)	(145,525)	(3,612)	(149,136)
Cash Flows from Investing Activities						
Interest received	6,976	32,911	39,887	25,906	129,466	155,372
	6,976	32,911	39,887	25,906	129,466	155,372
Cash Flows from Reorganization Items						
Cash payments to Bankruptcy Class 3 and 4 Unsecured	-	-	-	(325,000)	-	(325,000)
	-	-	-	(325,000)	-	(325,000)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,408,113)	3,222,199	814,086	461,932	3,405,417	3,867,349
Cash Equivalents at Beginning of Year	8,578,296	26,320,242	34,898,537	7,395,355	23,736,461	31,131,816
Cash Equivalents at End of Month	**$ 6,170,183**	**$ 29,542,440**	**$ 35,712,623**	**$ 7,857,287**	**$ 27,141,878**	**$ 34,999,165**

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
FOUR MONTHS ENDING OCTOBER 31, 2021
(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	$ 1,196,704	$ 1,552,169	$ (355,465)	$ 1,077,084	$ 1,301,358	$ (224,274)	$ 2,273,788	$ 2,853,527	$ (579,739)
Medi-Cal SGF-EPSDT	260,108	510,554	(250,446)	223,176	372,877	(149,701)	483,284	883,431	(400,147)
Medicare	4,868	667	4,201	2,704	667	2,038	7,572	1,333	6,239
Patient fees and insurance	425	700	(275)	29	-	29	454	700	(246)
Contracts	2,500	6,667	(4,167)	9,579	-	9,579	12,079	6,667	5,412
Rent income - TCMH & MHSA Housing	4,947	1,783	3,163	24,434	35,167	(10,732)	29,381	36,950	(7,569)
Other income	340	-	340	130	-	130	470	-	470
Provision for contractual disallowances	(120,915)	(103,136)	(17,779)	(107,922)	(66,068)	(41,854)	(228,837)	(169,204)	(59,633)
Net Operating Revenues	**1,348,975**	**1,969,403**	**(620,428)**	**1,229,215**	**1,644,001**	**(414,787)**	**2,578,190**	**3,613,405**	**(1,035,215)**
OPERATING EXPENSES									
Salaries, wages and benefits	2,788,935	3,069,044	(280,109)	4,182,955	4,503,956	(321,001)	6,971,890	7,573,001	(601,110)
Facility and equipment operating cost	252,715	302,961	(50,246)	483,542	433,589	49,953	736,257	736,550	(293)
Client program costs	87,238	84,328	2,911	505,289	391,173	114,117	592,528	475,500	117,027
Grants			-	55,650	28,333	27,317	55,650	28,333	27,317
MHSA training/learning costs			-	45,655	38,055	7,600	45,655	38,055	7,600
Depreciation	53,316	50,087	3,229	139,866	143,633	(3,767)	193,182	193,720	(538)
Other operating expenses	208,526	201,535	6,991	337,783	371,154	(33,371)	546,309	572,688	(26,380)
Total Operating Expenses	**3,390,731**	**3,707,955**	**(317,224)**	**5,750,740**	**5,909,894**	**(159,154)**	**9,141,471**	**9,617,848**	**(476,377)**
OPERATING (LOSS)	**(2,041,755)**	**(1,738,551)**	**(303,204)**	**(4,521,526)**	**(4,265,892)**	**(255,633)**	**(6,563,281)**	**(6,004,444)**	**(558,837)**
Non-Operating Revenues (Expenses)									
Realignment	1,218,450	1,318,448	(99,998)	-	-	-	1,218,450	1,318,448	(99,998)
MHSA Funding	-	-	-	11,719,531	12,222,954	(503,423)	11,719,531	12,222,954	(503,423)
Grants and contracts	184,779	115,102	69,677	-	-	-	184,779	115,102	69,677
Interest (expense) income, net	(7,760)	10,447	(18,207)	18,892	23,473	(4,581)	11,133	33,921	(22,788)
Total Non-Operating Revenues (Expense)	**1,395,470**	**1,443,997**	**(48,528)**	**11,738,423**	**12,246,427**	**(508,004)**	**13,133,893**	**13,690,425**	**(556,532)**
INCREASE(DECREASE) IN NET POSITION	**$ (646,286)**	**$ (294,554)**	**$ (351,732)**	**$ 7,216,898**	**$ 7,980,535**	**$ (763,637)**	**$ 6,570,612**	**$ 7,685,981**	**$ (1,115,369)**

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
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TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FOUR MONTHS ENDING OCTOBER 31, 2021

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:
TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)
MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than budget by $1 million for the following reasons:

1 **Medi-Cal FFP revenues for FY 2021-22** were approximately $580 thousand lower than the budget. Medi-Cal FFP revenues were $355 thousand lower for TCMH and $224 thousand lower for MHSA. At TCMH, the adult program revenues were lower than budget by $158 thousand and the children program revenues were lower by $197 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by $103 thousand and the Children and TAY FSP programs were lower by $121 thousand.

2 **Medi-Cal SGF-EPSDT revenues for fiscal year 2021-22** were lower than budget by $400 thousand of which $250 thousand lower were from TCMH and $150 thousand lower were from MHSA. SGF-EPSDT relates to State General Funds (SGF) provided to the agency for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSDT) to children and youth under 21 years. These funds are in addition to the FFP reimbursed by the federal government.

> *Medi-Cal and Medi-Cal SGF-EPSDT revenues are recognized when the services are provided and can vary depending on the volume of services provided from month to month. Projected (budgeted) services are based on estimated staffing availability and the assumption that vacant positions will be filled.*

3 **Medicare revenues** are $6 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 higher than the budget by $5 thousand mainly from MHSA. The contract amount at MHSA represents the Clifford Beers Housing's share of cost for funding a Residential Services Coordinator position to provide on-site services to all residents at the Holt Avenue Family Apartments.

5 **Rent Income** was lower than the budget by $8 thousand. The rental income represents the payments collected from the tenants staying at the Tri-City apartments on Pasadena and at the MHSA house on Park Avenue.

6 **Provision for contractual disallowances** for fiscal year 2021-22 is $60 thousand higher than budget.

Operating Expenses

Operating expenses were lower than budget by $476 thousand for the following reasons:

1 **Salaries and benefits** are $601 thousand lower than budget and of that amount, salaries and benefits are $280 thousand lower for TCMH operations and are $321 thousand lower for MHSA operations. These variances are due to the following:

TCMH salaries were lower than budget by $151 thousand due to vacant positions and benefits are lower than budget by $129 thousand.

MHSA salaries are lower than budget by $259 thousand. The direct program salary costs are lower by $248 thousand and the administrative salary costs are lower than budget by $11 thousand. Benefits are lower than the budget by $62 thousand. Of that, health insurance is lower than budget by $130 thousand, state unemployment insurance is lower by $33 thousand, workers compensation is lower by $11 thousand. These lower costs are offset by higher retirement contribution cost due to the annual payment of the CalPERS unfunded accrued liability in July.

2 **Facility and equipment operating costs** were in line with the budget. Facility and equipment operating costs were $50 thousand lower for TCMH but were $50 thousand higher for MHSA due to the startup cost for a new Electronic Health Record system.

3 **Client program costs** are higher than the budget by $117 thousand mainly from MHSA due to a payment of $396 thousand to the City of Pomona Hope for Home Year-Round Emergency Shelter.

4 **Grants for fiscal year 2021-22** awarded under the Community Wellbeing project are $27 thousand higher than the budget due to timing.

5 **MHSA learning and training costs** are higher than the budget by approximately $8 thousand.

6 **Depreciation** is in line with the budget.

7 **Other operating expenses** were lower than the budget by $26 thousand of which $7 thousand higher were from TCMH and $33 thousand lower were from MHSA. At TCMH, personnel recruiting fees, dues and subscriptions, conference and mileage expenses are all higher than the budget. For MHSA, the lower costs are mainly from the professional fees.

TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FOUR MONTHS ENDING OCTOBER 31, 2021

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)

Non-Operating Revenues (Expenses)

Non-operating revenues, net, are lower than budget by approximately $557 thousand as follows:

1 **TCMH non-operating revenues** are approximately $49 thousand lower than the budget. Of that, realignment fund is lower than the budget by $100 thousand. Interest income netted with interest expense is lower than the budget by $18 thousand. Grants and contracts are higher than the budget by $70 thousand including the City of Pomona Measure H program, Los Angeles County Covid-19 Community Equity Fund and Adverse Childhood Experiences grant.

2 **MHSA non-operating revenue** is $503 thousand lower than 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	$ 9,210,946	$ 9,210,946	$ -
PEI funds received and available to be spent	2,204,319	2,355,742	(151,423)
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	304,266	656,266	(352,000)
Non-operating revenues recorded	$ 11,719,531	$ 12,222,954	$ (503,423)

CSS recorded revenue is in line with the budget.

PEI recorded revenue is lower than budget by $151 thousand. The difference is due to the amount received and available for the PEI plan through October 2021. The additional funds received during the fiscal year 2021-22 will be recorded as revenue up to the budgeted amount.

INN recorded revenue is lower than the budget by $352 thousand. This amount was included in the FY2021-22 budget in anticipation that a new Tri-City proposed INN program would be approved for operations by the MHSA Oversight and Accountability Commission. Unfortunately, it was not approved and therefore, the amount will not be recognized into revenue.

Interest income for MHSA is lower than budget by approximately $5 thousand.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOUR MONTHS ENDED OCTOBER 31, 2021 AND 2020

	PERIOD ENDED 10/31/21			PERIOD ENDED 10/31/20		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
REVENUES						
Medi-Cal FFP, net of reserves	$ 1,097,378	$ 987,686	$ 2,085,064	$ 1,176,413	$ 1,036,747	$ 2,213,160
Medi-Cal SGF-EPSDT	238,519	204,652	443,171	247,237	183,846	431,083
Medicare	4,868	2,704	7,572	333	607	940
Realignment	1,218,450	-	1,218,450	1,658,167	-	1,658,167
MHSA funds	-	11,719,531	11,719,531	-	12,401,929	12,401,929
Grants and contracts	187,279	9,579	196,858	180,442	9,689	190,131
Patient fees and insurance	425	29	454	140	-	140
Rent income - TCMH & MHSA Housing	4,947	24,434	29,381	8,468	31,805	40,272
Other income	340	130	470	52,909	257	53,166
Interest Income	4,080	18,892	22,972	12,283	59,703	71,986
Total Revenues	**2,756,285**	**12,967,638**	**15,723,923**	**3,391,887**	**13,788,820**	**17,180,707**
EXPENSES						
Salaries, wages and benefits	2,788,935	4,182,955	6,971,890	2,625,191	4,126,670	6,751,861
Facility and equipment operating cost	251,046	481,994	733,040	185,368	393,648	579,015
Client lodging, transportation, and supply expense	90,913	520,074	610,987	115,350	818,156	933,506
Depreciation	53,316	139,866	193,182	47,445	138,464	185,908
Interest expense	11,840	-	11,840	13,530	-	13,530
Other operating expenses	206,520	425,851	632,372	173,472	421,592	595,064
Total Expenses	**3,402,570**	**5,750,740**	**9,153,311**	**3,160,355**	**5,898,529**	**9,058,885**
INCREASE (DECREASE) IN NET POSITION	**(646,286)**	**7,216,898**	**6,570,612**	**231,532**	**7,890,291**	**8,121,822**
NET POSITION, BEGINNING OF YEAR	4,787,631	-	4,787,631	3,879,375	22,645,870	26,525,245
NET POSITION, END OF MONTH	**$ 4,141,345**	**$ 7,216,898**	**$ 11,358,243**	**$ 4,110,906**	**$ 30,536,160**	**$ 34,647,067**

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.
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Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 15, 2021

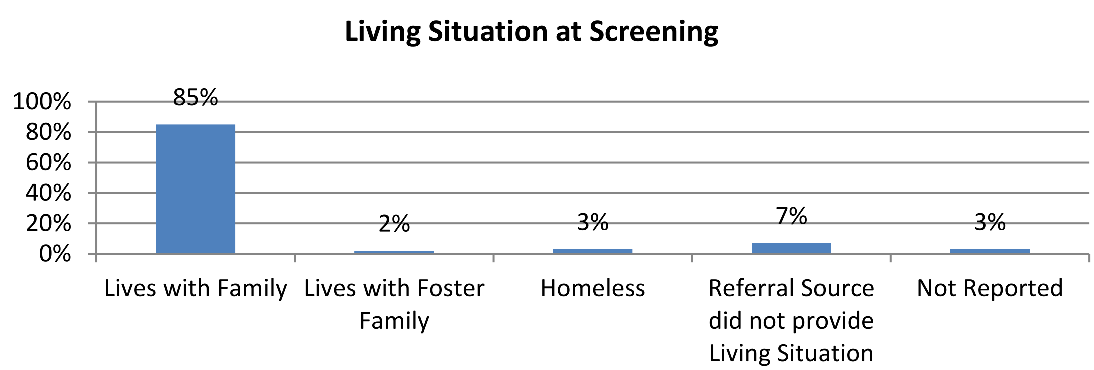
TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Elizabeth Renteria, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

CLIENT CENSUS DATA

Each month, information and data and will be shared about the services provided and the clients that have been supported. This month's data set comes from our Access to Care team and highlights the living situation of children and youth at time of screening for services with Tri-City Mental Health Authority.



ACCESS TO CARE

There was a total of 191 service requests made for adults in the month of November. In terms of request type, 46 were walk-in service requests, 116 were called-in, there were 25 SRTS referrals/SRTS hospital discharge referrals, there were 2 in- writing referrals and 1 FSP/FCCS and 1 service request type not reported. There was a total of 16 service requests that were hospital discharges (10 called in, 6 SRTS hospital d/c). There were 19 referrals received from IOET for adults.

The majority of service requests were called in over the phone at 60.73% (116). The number of individuals walking into the clinic to access services continues to increase. In the month of November, 24% (46) of individuals requesting services came into the clinic in-person.

There was a total of 106 intakes initiated by staff during the month of November for both adults and children by the following departments: ATC, AOP, COP, FSP, SPT, and IOET. Approximately 1.88% (2) of individuals assessed did not meet medical necessity.

Access to Care clinicians initiated a total of 58 intakes which is 54.71% of the total number of intakes initiated for the month of November for the entire agency.

Below is a breakdown of dispositions based on the 191 service requests received for November/2021:

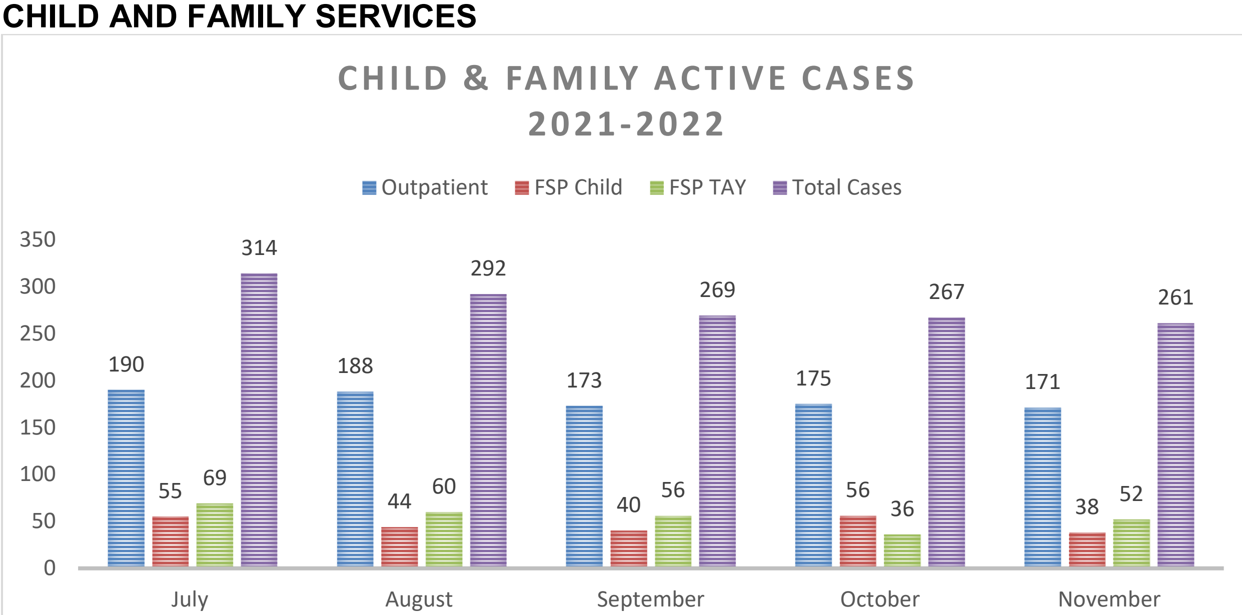
- 1.57% (3) Pending disposition.
- 73.82% (141) Initial appointment given.
- 4.18% (8) Individual/collateral declined services.
- 5.75% (11) Referred back to private insurance.
- 5.23% (10) Referred to another MH agency.
- .52% (1) Referred to another agency.
- 8.37% (16) Unable to contact individual/collateral.
- .52% (1) Crisis referral (this site, 911, FRO)

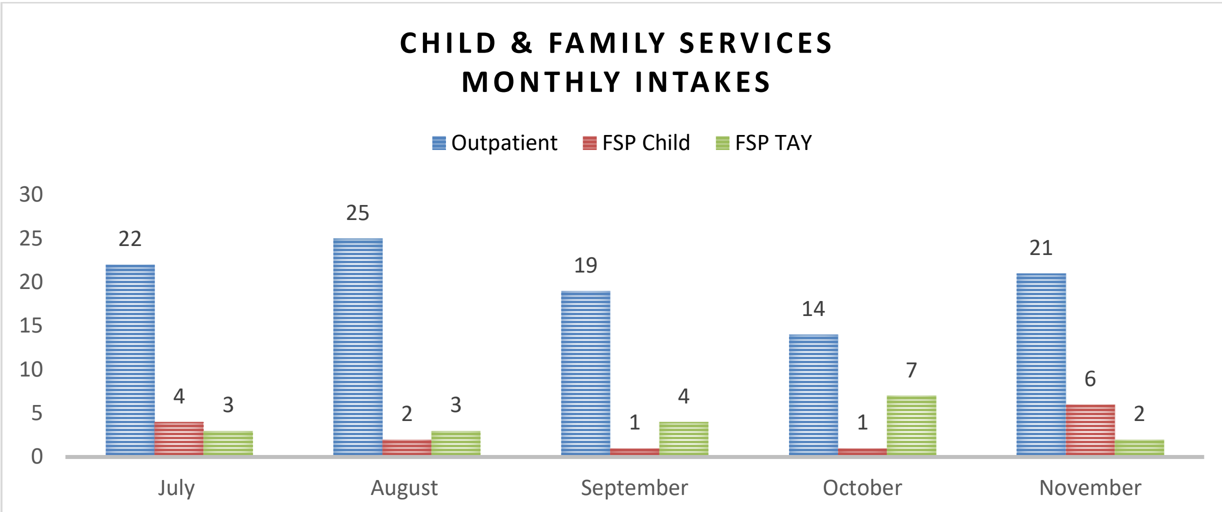
There was a total of 59 service requests received at the Royalty location for children and TAY in the month of November. Of the 59 service requests, 3 were walk-ins, 18 were called-in, 26 were in-writing referrals, 5 were FSP referrals and 6 were SRTS referrals and 1 did not have request type listed. There was 6 hospital discharge and 9 referrals from IOET.

CLINICAL WELLNESS ADVOCATES TEAM

Census on the Clinical Wellness Advocate team's census remains consistent at 81. The Clinical Wellness Advocate team receive 2 referrals in the month of November. 17 clients have successfully completed treatment in the month of November.

CHILD AND FAMILY SERVICES

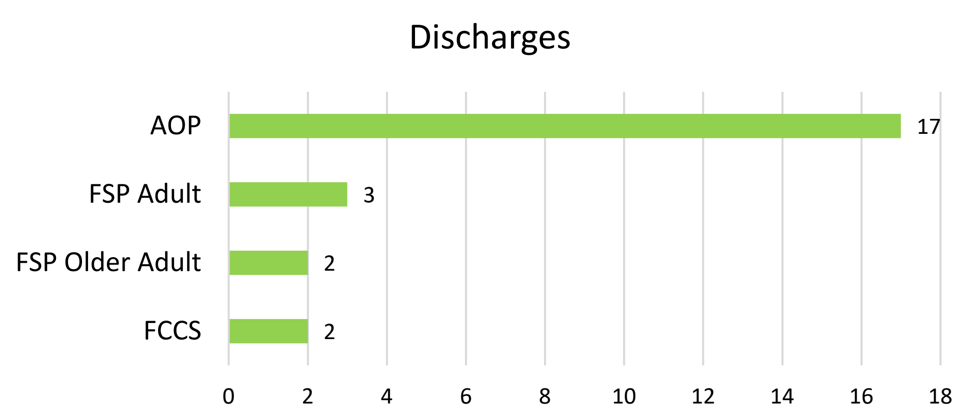




In the month of November there was an increase in the number of intakes from 22 to 29. The number of available intake slots for the month of November increase to the addition of 6 new staff on the Child and Family Services Team. A total of 7 crisis assessments were completed by CFS supervisor & manager.

The Child and Family Services Team engaged in a number of activities this month to improve the care for clients. Included in those activities included increasing intake slots, offering additional groups and staff completing CAMS (Collaborative Assessment and Management of Suicidality Training.

ADULT SERVICES

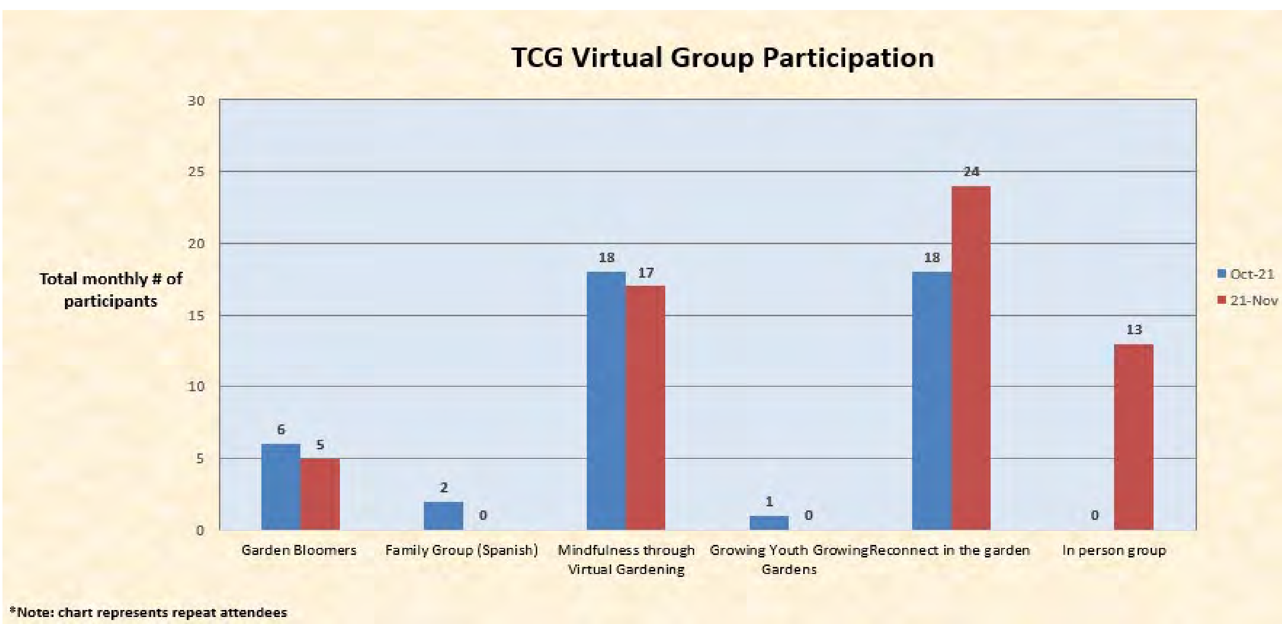


Adult Services census remains consistent. In the month of November, the Adult Services team received 81 referrals for services and transitioned twenty-five clients from care. The referral breakdown is as follows: 74 to the Adult Outpatient program, seven referrals to adult FSP. A new program manager has been hired to oversee the Adult Services team. The new manager is a current Adult Services supervisor with several years of experience at Tri City Mental Health. We look forward to welcoming the new manager in January who will be able to add much needed support to the adult services team.

THERAPEUTIC COMMUNITY GARDEN (TCG)

In November Therapeutic Community Garden staff welcomed participants back into the garden for the first in-person group since March 2020. Although the team has hosted virtual groups for the past seventeen months, this was the first in-garden group. The participants expressed their gratitude for the green space at Tri-City and recognized the significant impact nature has on their wellness. This opportunity has allowed participants who may have been isolated throughout the pandemic to socialize and build community. This is a milestone for the program as the garden had been closed to the public for quite some time. We look forward to developing more in-person groups in the months to come.

Above: *(left) Cilantro and lettuce seedlings in raised beds; (middle) late-season Cucumber growing in the first heat spell; (right) TCG persimmon tree is only now losing its leaves*



Above: *The graph pictured shows the efforts of TCG about outreach and referrals with an overall goal of increasing enrollment and retention.*

HOUSING

In November, the Housing Division introduced a new group hosted at the Wellness Center, Housing Search Group (HSG). Keeping social distancing in mind, HSG invites three individuals to the computer lab at the Wellness Center. HD staff provide the search engine options and guides the clients in how to move through the sites, gather contact information, and begin contacting landlords for any units they are interested in. For the time being, staff are inviting clients who have an active Housing referral. As we move forward with the group, the plan is to open it up and begin inviting community members who do not already have a connection to the HD.

The purpose of this group is to add an additional layer to the support the team provides when it comes to helping people find housing. Currently, HD staff regularly conducts housing searches to share with all Tri-City clients through a listing that is shared with the agency twice a month. That listing provides results of a search for the most affordable market-rate housing within the three cities, along with updates of new waiting lists for affordable housing throughout Los Angeles County and surrounding counties or shared housing programs. For those with an open referral in Housing, the team is able to provide those listings as well as any more up-to-date options that can be shared in bi-weekly groups to review the lists and request support and feedback with obstacles they encounter during the application process. The HD team recognized that clients and community members would benefit from being able to be more hands-on with the search so they could continue it independently. By being more active in the search themselves, it could also help them get a better perspective on the reality of the availability in housing to open their minds to modifying their search criteria.

SUCCESS STORY

This month’s success story comes from the Co-Occurring Support Team.

The client story we are highlighting this month is from a 60-year-old male that has been in FSP services since 3/12/2020. Client had been diagnosed with a severe mental health and substance use disorder and had experienced impairment in several of his life domains including homelessness and loss of family. Co-Occurring counselor has been providing support to client and client has been able to stabilize on his medication and take care of his physical health. Client received a healthy outcome on his last physical. Client has been able to remain free from substances for months at a time, currently he has 30 days clean and sober. Client reports that he is now able to utilize learned coping skills to manage his mental health, which has enabled him to secure housing. During therapy sessions client reported substantial improvements in his mood and increased confidence in his ability to maintain safety. Client has been actively participating with union station and was recently approved for a housing voucher.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 15, 2021

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim 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), PACT AND SUPPLEMENTAL CRISIS TEAMS IN NOVEMBER 2021

IOET Program

- Number of all new outreach= 60
- Number client given intake appointments= 45
- Number of clients opened= 15
- Total number of ALL clients outreached= 205
- Total number of homeless served= 128
- Percentage of clients outreached that are homeless= 62%
- Percentage of clients enrolled this month in formal services that are homeless= 13%
- Total number clients outreached since inception= 4120
- Total number clients enrolled since inception= 1351

Service area:
- Pomona= 185
- Laverne= 3
- Claremont= 17
- Total= 205

Enrollments:

- FSP (Full-Service Partnership)-Older Adult= 0
- FSP-adult= 01
- FSP-TAY (Transition Age Youth) = 0
- AOP (Adult Outpatient Program) = 9
- COP (Children Outpatient Program) = 2
- FCCS (Field Capable Clinical Services) = 0
- FSP Children= 2

Health Issues:

- o Number of initial health assessments completed= 35
- o Number of clients linked to PCP appointments with IOET LPT= 11

Supplemental Crisis Calls

- Number of calls received= 10

Service Area

- o Pomona= 9
- o Laverne= 0
- o Claremont=0
- o Outside service area= 1

P.A.C.T.

- Number of new individuals added for the month= 24
- Number of closed individuals for the month= 21
- Number of holds written for the month= 10 holds
- Number enrolled in formal services for the month= 1
- Number pending intake appointment for the month= 0
- Number referred to IOET this month= 5

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 15, 2021

TO: Governing Board of Tri-City Mental Health Authority
Jesse Duff, Executive Director

FROM: Rimmi Hundal, Director of MHSA and Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

ETHNIC SERVICES

Tri-City's advisory councils continue to meet and here are some highlights from last month.

- The African American Family Wellness Advisory Council has started brainstorming ideas for Black History Month which will take place in February.
- ¡Adelante! participants engaged in conversation around the topic of grief in honor of El Dia De Los Muertos. Participants discussed how grief is viewed in the Latinx culture and as providers how we can be more culturally sensitive in helping our clients and communities. El Dia de los Muertos is also known as the Day of the Dead, it is a time to honor ancestors and loved ones that have passed away. It upholds a cultural significance when it comes to processing grief and honoring lives of our loved ones.

All the advisory councils will go dark in December due to the holidays.

COMMUNTY PLANNING PROCESS

The process of preparing for the MHSA Annual Update for FY 2022-23 has begun. Program updates and outcomes will be collected for each MHSA program that reflects the successes and challenges faced in FY 2020-21. Once the initial summaries are completed, these program updates, along with the results from Tri-City's Community Planning Survey, will be presented to the MHSA workgroups consisting of stakeholders and community partners who will then share their thoughts and recommendations for consideration by MHSA staff. These workgroups are tentatively scheduled to take place in January 2022

WORKFORCE EDUCATION AND TRAINING (WET)

During the month of November, Tri-City staff from a variety of departments attended a Conference on November 9th and 10th hosted by the Southern California Regional Partnership entitled "Person Centered Engagement." Topics ranged from cultural competence to engaging appropriately with a variety of cultural groups including LGBTQ+, Deaf and Hard of Hearing, racial and religious groups, and more.

Recordings and materials from the conference were made available to all Tri-City staff for personal and professional development.

Tri-City's social media reach was as below:

- On Facebook, Tri-City reached 696 people
- On LinkedIn, Tri-City reached 96 views
- On Instagram, Tri-City reached 338 people and
- On Twitter, Tri-City made 1,201 impressions.

PREVENTION AND EARLY INTERVENTION – PEI

Community Trainings

In honor of Movember, the Community Trainers hosted a webinar on "Let's Talk Men's Wellness" to increase awareness about the importance of Men's wellness and mental health. Movember is a month-long event in which people are encouraged to grow mustaches in order to raise (grow) awareness of and funding for research related to men's health issues, such as prostate cancer, testicular cancer, and mental health.

Community Navigators

The Community Navigator Program is collaborating with Shoes that Fit on their yearly holiday shoe campaign and will be providing shoes and gifts to 30 school age children. The Community Navigators are also identifying local churches and food banks that provide holiday dinners and toys for children.

Wellness Center

The tradition that many participants look forward to during the holiday season is the annual tree lighting event. Currently, transitional age youth, teens and children have been invited to decorate the Christmas tree. The tree lighting event will take place on December 17th at 3:30pm, which we are calling "Holly Jolly Holiday Celebration."

INNOVATION

During the month of November, several community presentations were made by the Innovation Coordinator in anticipation of the development of a new Innovation project. These presentations are designed to take place in the community and meet participants "where they are". One example included a meeting with students at the University of La Verne which consisted of transition age youth (ages 16-25), who are considered a vital population to the success of the stakeholder process. Students also presented their own concepts for new projects they felt would benefit them and possibly be considered as potential Innovation projects.

Another meeting took place on December 6th, there were 10 attendees and a majority of those were new to Innovation. The Innovation Coordinator shared a quick overview of what Innovation is, the process behind Innovation, placed an emphasis on stakeholder contribution and then reviewed the current submissions to the community planning process survey. Community members shared their ideas that they have submitted. The next Innovation workgroup will take place on December 16 from 5pm-6pm.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **December 15, 2021**

TO: **Governing Board of Tri-City Mental Health Center**
Jesse H. Duff, Interim Executive Director

FROM: **Natalie Majors-Stewart, Chief Compliance Officer**

SUBJECT: **Monthly Best Practices Report**

CALAIM MEDICAL NECESSITY UPDATE

The Best Practice Division, in collaboration with the Clinical Department, is preparing for the implementation of the revised medical necessity criteria for special mental health services. Effective January 2022, the new criteria for accessing services must be implemented, per DHCS requirements.

The revised set of criteria for medical necessity is one component of the statewide CalAIM (California Advancing and Innovating Medi-Cal) initiative, and was developed to create more harmony and flexibility, throughout the State of California, for the provision of medically necessary, and reimbursable, treatment to individuals in need of mental health services.

The new criteria will expand the standards for medical necessity, and this expansion will have impact on the current evaluation process for new and existing clients. Service providers will be provided with training and guidance on the new requirements and evaluation process, in order to ensure a smooth transition and implementation.

Additionally, due to the broadening of the criteria, agency leadership is preparing for a possible increase in the number of clients that will be enrolled in/and retained in clinical services. As part of the implementation plan, the potential impact to enrollment will be monitored closely. Any needs to adjust staffing requirements, services delivery protocols, or operational supports, will be evaluated and modified as needed, in order to support the overall implementation.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **December 15, 2021**

TO: **Governing Board of Tri-City Mental Health Authority**
Jesse Duff, Interim Executive Director

FROM: **Ken Riomales, Chief Information Officer**

SUBJECT: **Monthly Information Technology Report**

The following are updates to the high priority projects (but not exclusive) under the purview of I.T.:

- Cerner Implementation – Project is currently on track and on budget. Go-Live is tentatively scheduled for end of June 2022
- I.T. Security Assessment – Security assessment is nearing completion. Executive Summary of findings due by month's end.

UPCOMING PROJECTS

- Network Implementation – This project was approved in the November Governing Board meeting. The Tri-City I.T. team, along with our consultant, Kairos are currently in the process of executing contracts and planning for the project. Project duration is estimated to be 90-120 days from the kick-off call.
- Security remediation and infrastructure optimization – With the formal security assessment in hand, this will allow the Tri-City I.T. team to create a strategic framework for infrastructure optimization and security remediation (if needed). Project duration is estimated to be 3-6 months depending on level of needed remediation and specific scope of optimization. Planning will begin as soon as Security Assessment Executive Summary is submitted.

I.T. OPERATIONS UPDATE

- Help Desk At a Glance
  - In **2020** (June – Dec.), a total of **1,794** help desk tickets were reported to I.T.
  - In **2021**, year to date, we have had **2,615** help desk tickets reported.
  - **The rolling monthly average for submitted tickets is approximately 259.** This number represents a combination of break/fix issues (most of which are resolved within 2 days), Service Requests and Projects. Depending on the request Service Requests and Projects have variable completion times.
- I.T. Specialist II opening - I.T. continues to work with HR to identify and interview viable candidates for the open position.

AGENDA ITEM NO. 18