



**MINUTES
REGULAR MEETING OF THE
GOVERNING BOARD
NOVEMBER 18, 2015, 2015 – 4:45 P.M.**

The Governing Board met in a Regular Meeting on Wednesday, November 18, 2015 at 4:49 p.m. in the Administrative Office, 1717 N. Indian Hill, Suite B, Claremont, California.

CALL TO ORDER Vice-Chair Leeb called the meeting to order at 4:49 p.m.

ROLL CALL A visual roll call was taken.

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

ABSENT: None

STAFF: Toni Navarro, Executive Director
Darold Pieper, General Counsel (arrived at 5:10 p.m.)
Diana Acosta, Chief Financial Officer
Nancy Gill, Chief of Operations
Elizabeth Owens, Director of Clinical Program Services
David Block, Medical Director
Rimmi Hundal, Director of Mental Health Services and Ethnic Services
Natalie Majors-Stewart, Acting Manager of Best Practices
Donald Pruyn, Housing Project Manager
Mica Olmos, Executive Assistant

CONSENT CALENDAR

There being no comments, Board Member Lyons moved, and Board Member Carder seconded, to approve the Consent Calendar. The motion was carried by the following vote: AYES: Board Members Carder, Cockrell, Lyons, Martinez, and Nolte; and Vice-Chair Leeb. NOES: None. ABSTAIN: None. ABSENT: Chair Lantz.

1. APPROVAL OF MINUTES FROM THE OCTOBER 21, 2015 GOVERNING BOARD MEETING

Recommendation: "A motion to approve the Minutes of October 21, 2015."

2. APPROVAL OF RESOLUTION NO. 410 ADOPTING REVISED PERSONNEL RULES AND REGULATIONS MANUAL

Recommendation: “A motion to adopt Resolution No. 410 approving amendments to the Personnel Rules and Regulations Manual.”

NEW BUSINESS

3. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015

David Showalter of Vavrinek, Trine, Day & Co., LLP (VTD), Partner in charge of conducting the audit, stated that the Financial Statements being presented were for Fiscal Year ended June 30, 2015 and that it includes a letter which is a required communication to the Board that outlines VTD's responsibilities with respect to the audit, management responsibilities, and ultimately, the results categorized in various items that are required to be communicated to the Board. He then pointed out that the two most significant items related to the audit were the implementation of Governmental Accounting Standards Board (GASB) No. 68 -*Accounting and Financial Reporting for Pensions*, and GASB No. 71 -*an amendment of GASB Statement No. 68*, which resulted in a prior period adjustment in order to record the net pension liability that Tri-City has with respect to its proportionate share of the CALPERS Cost Sharing Plan that are reflected on the Financial Statements, indicating that there were note disclosures about the new accounting pronouncement of GASB standards wherein detailed information about how the net pension liability is calculated, as well as listing the agency's status of the bankruptcy liability items. He also reported that VTD had no disagreements with management; that VTD did not encounter any difficulties with the audit; that Tri-City management signed a representation letter dated November 12, 2015; and that there were no other audit findings or issues to report to the Board.

At 4:53 p.m., Chair Paula Lantz arrived at the meeting.

Mr. Showalter then stated that Page 1 of the Audit Opinion, indicates that the Financial Statements with respect to Tri-City, is unmodified or a clean opinion. He then referred to the *Emphasis of Matter* on Page 2, where it emphasizes that GASB 68 was effective on July 1, 2014, implemented on July 1, 2015, and effectively creating a new accounting pronouncement. He then referred to the Statement of Net Position, on Page 15 of the Financial Statements, and explained that there is a new line item called Net Pension Liability under the Noncurrent Liabilities section, which reflects \$2.4 million of Tri-City's proportionate share to the Public Employees Retirement Fund (PERF)(C) Plan in which there are two cautionary pools: a miscellaneous cautionary pool and a public safety cautionary pool, indicating that Tri-City participates in the miscellaneous cautionary pool. He pointed out that note reference #9B provides detailed information regarding how the liability was calculated using the actuarial report provided by CalPERS which were also audited by CalPERS auditors as well as all of the other balances on the Deferred Outflows of Resources and Deferred Inflows of Resources that are related to pensions. He explained that the Deferred Outflow is related to the contributions Tri-City made to the Plan in 2015, and that the measurement data of the liability reflected on the financial statements is for the year 2014; therefore, any contributions made in 2015 are not yet in the measurement of the liability and they will be included in the measurement next year, noting that GASB requires the liability to be prepaid and it is allocated to this Deferred Outflow

of Resources classification and, next year, it will be reversed and reduce Tri-City's liabilities. The Deferred Inflow of Resources is related to the net differences between the projected earnings and the actual earnings of the CalPERS Plan in which gains are required to be amortized over a five-year period.

Governing Board Lyons inquired how close to actual time will the CalPERS liability be. Mr. Showalter replied it will always be lagging one year only on the calculation of net pension liability calculation. Governing Board Lyons further inquired if the actuarial information provided by CalPERS is accurate. Mr. Showalter stated that the actuarial information is conducted in a very systematic process and CalPERS will be providing information sooner so that staff is not waiting for VTD to report information to Tri-City in October; that actuarials are also audited by VTD; therefore, the information is audited twice and the Board can feel confident about the accuracy of the numbers reported.

Discussion ensued regarding how the pension liability is calculated and how Tri-City's proportion is determined.

Mr. Showalter then referred to the report of internal controls on Page 53, noting that VTD has audited in accordance to generally accepted government auditing standards and issued this stand-only report; that internal controls of the organization are reviewed with respect to financial reporting as well as its compliance, stating that there are not any deficiencies or noncompliance to report. Lastly, he thanked Chief Financial Officer Diana Acosta and the accounting department for all the help they provided, noting that Ms. Acosta did a great job with the GASB 68, which she took the lead and tackled it on her own.

There being no further discussion, Board Member Carder moved, and Vice-Chair Leeb seconded, to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2015. The motion was carried by the following vote: AYES: Board Members Carder, Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: None.

4. APPROVAL TO RE-APPOINT CITY OF CLAREMONT RESIDENT DAVETTA WILLIAMS, AND TO APPOINT DEPUTIVE POLICE CHIEF MICHAEL OLIVIERI FROM THE CITY OF POMONA, AS MEMBERS TO THE TRI-CITY MENTAL HEALTH COMMISSION

Executive Director reported that due to Pomona Chief of Police Paul Capraro's schedule, he is going to be resigning from the Mental Health Commission; consequently, Pomona Deputy Police Chief Olivieri submitted his application for membership.

Board Member Martinez inquired about the appointment process, noting that she believes it requires an interview process and would like legal opinion before appointing someone to the Mental Health Commission. Consultant Jesse Duff stated that it is not a requirement to hold interviews.

There being no further comments, Board Member Lyons moved, and Board Member Nolte seconded, to re-appoint for a 3-year term Davetta Williams, and to Appoint Michael Olivieri, as members to the Mental Health Commission. The motion was carried by the following vote:

AYES: Board Members Carder, Cockrell, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: None.

MONTHLY STAFF REPORTS

5. EXECUTIVE DIRECTOR REPORT

Executive Director Navarro reported that to date 37.3% of Tri-City's bankruptcy debt had been paid. He then indicated that Housing Manager Pruyn will be presenting the permanent housing report.

Housing Project Manager Don Pruyn provided a permanent housing report and indicated that the projects by Cedars Springs, Parkside Family Apartments, and the Holt Family Apartments, are moving forward and no new developments have taken place; that Tri-City closed escrow on the Baseline property and staff is working on obtaining bid specifications for the required property upgrades to be performed, indicating that the bid results will be presented to the board for approval in January; and that at the completion of the projects, Tri-City will have 64 MHSA units.

Executive Director Navarro added that Tri-City's housing division had conducted various community meetings to get people knowledgeable about the housing that will be available and, as of now, approximately 70 applicants have been placed on the waiting list, explaining that it is required to have 3 applicants available per unit, and Tri-City is on target.

At 5:10 p.m., Counsel Darold Pieper arrived at the meeting.

Discussion ensued about the process to determine how applicants are selected.

Board Member Carder reported that she attended a fundraiser hosted by Margaret and David; that they did a beautiful presentation of the Cedar Springs project; and that they talked quite nice about Tri-City's involvement in this project.

Board Member Nolte added that he had the opportunity to see the project construction and indicated that it is very pretty and nice as well as the Holt project in Pomona.

6. CHIEF FINANCIAL OFFICER REPORT

The Board congratulated Chief Financial Officer Acosta for the outstanding financial reporting.

Board Member Cockrell inquired about the PVHMC had contacted Tri-City.

Executive Director Navarro replied that she has not heard from them to schedule a meeting and she also is not sure if they are aware what is available to the members of their community. She indicated that Commissioner Cheryl Berezny, who oversees the hospital newsletter, will be asking them if a component regarding Tri-City's services can be included in the newsletter so that volunteers can refer their clients. She then indicated that she will be attending the California Hospital Association's Behavioral Health Care Symposium.

Board Member Martinez added that even though the hospital had mentioned that mental health was a top priority, they still were still not going to push it as a priority over their next 3-year plan.

Discussion ensued regarding what the Board can do to engage the PVHMC regarding mental health.

7. CHIEF OPERATIONS OFFICER REPORT

Board Member Martinez stated that the missing diagnosis for the City of Pomona is getting really high and inquired about the reasons.

Director of Clinical Program Services Owens indicated that Tri-City trains staff of the ICD10 and DSM5; therefore, when the County and the state come to an agreement, that number should go down.

Chair Lantz referred to the constant turnover rate which might impact clients directly. Board Member Lyons indicated that it is typical of the industry. Chair Lantz indicated that she would like more information about turnover.

Discussion ensued about the factors that could potentially result in turnover in Tri-City as well as the industry.

Board Member Lyons asked staff to provide a list of categories of reasons for the decisions that individuals choose to leave the agency. Chief Operations Office Gill cautioned that this information may not accurately report cause for turnover as those employees that separate from the agency may not truly disclose their reason for separation.

Counsel Pieper indicated that this information cannot be provided on real time basis because of confidentiality; therefore, it will have to be at best, aggregated over enough time so that no individual information can be derived from the information.

Chair Lantz indicated that as a Board Member she was interested only on the aggregate information.

Discussion ensued regarding the exit interview form used by Tri-City.

Board Member Martinez stated that it would be helpful for the Board to obtain aggregate information from the exit interview forms.

8. DIRECTOR OF CLINICAL PROGRAM SERVICES REPORT

There was no comment.

9. MEDICAL DIRECTOR REPORT

Board Member Lyons asked what kind of reception Dr. Block is receiving from the professional side of the medical community in connection with the integration of health care.

Medical Director Block stated that the response is quite variable and staff is currently focusing on establishing relationships through an extensive outreach and engagement with the medical providers.

Discussion ensued regarding how private practice is responding to changes of the affordable care act.

10. DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Board Member Cockrell thanked Tri-City for grant that allowed having Mental First Aid training.

Executive Director Navarro reported that Tri-City will be participated in the Pomona Christmas Parade on December 12th, noting that staff has formed a drill team.

11. MANAGER OF BEST PRACTICES REPORT

There was no comment.

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

CLOSED SESSION

At 5:46 p.m., the Governing Board recessed to a Closed Session pursuant to Government Code § 54956.8: Conference with Real Property Negotiators: Property: 15-foot deep strip of property (2,273 sf) at the east boundary line of 2008 N. Garey Avenue, Pomona, CA 91767 (APN 8362-002-902); Agency Negotiators: Toni Navarro, Darold Pieper, Jesse H. Duff, Diana Acosta, and Donald Pruyn; Negotiating Parties: City of Pomona Water Department; Under Negotiation: Possible purchase including terms and price; and

Government Code § 54956.8: Conference with Real Property Negotiators: Property: 15-foot deep strip of property (1,125 sf) at the east boundary line of 2018 N. Garey Avenue, Pomona, CA 91767 (APN 8362-002-903); Agency Negotiators: Toni Navarro, Darold Pieper, Jesse H. Duff, Diana Acosta, and Donald Pruyn; Negotiating Parties: City of Pomona Water Department; Under Negotiation: Possible purchase including terms and price.

At 5:55 p.m., Board Member John Nolte left the meeting.

RECONVENE TO OPEN SESSION

At 5:56 p.m., the Governing Board reconvened to an Open Session.

CLOSED SESSION REPORT

Counsel Pieper reported that the Governing Board had met in closed session and no action was taken that is required to be reported at this time since negotiations are still in progress.

GOVERNING BOARD COMMENTS

Executive Director Navarro reported that on Monday, November 23rd, there will be an event from 10-12:00 p.m. at the Wellness Center for military veterans and their families to provide information regarding benefits information, changing discharge status, and to encourage them to make connections.

PUBLIC COMMENT

Karen Rosenthal, Chair of Claremont Committee on Aging, stated that Monica Valencia, Claremont's new navigator, attended their meeting to provide information about Tri-City's services and her role, noting that she did a wonderful job.

ADJOURNMENT

At 6:00 p.m., on consensus of the Governing Board its Regular Meeting of November 18, 2015 was adjourned. The Governing Board of Tri-City Mental Health Center will meet next in a Joint Meeting with the Mental Health Commission to be held on **Wednesday, December 16, 2015 at 4:45 p.m.** in the Clinical Building, 2008 N. Garey Avenue in Pomona, California.



Micaela P. Olmos, Executive Assistant