



**MINUTES
REGULAR MEETING OF THE
GOVERNING BOARD
OCTOBER 19, 2016 – 4:45 P.M.**

The Governing Board met in a Regular Meeting on Wednesday, October 19, 2016 at 4:50 p.m. in the Administrative Office, 1717 N. Indian Hill, Suite B, Claremont, California.

CALL TO ORDER Chair Lantz called the meeting to order at 4:50 p.m.

ROLL CALL A visual roll call was taken.

PRESENT: Paula Lantz, City of Pomona, Chair
Chuck Leeb, Ph.D., City of Claremont, Vice-Chair
Robin Carder, 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
Bill Aguirre, City of La Verne, Alternate Board Member

ABSENT: Carolyn Cockrell, City of La Verne, Board Member

STAFF: Toni Navarro, Executive Director
Darold Pieper, General Counsel
Diana Acosta, Chief Financial Officer
Nancy Gill, Chief Operations Officer
David Block, Medical Director
Rimmi Hundal, Director of MHSA and Ethnic Services
Natalie Majors-Stewart, Acting Manager of Best Practices
Trevor Bogle, Controller
Don Whitney, IT Manager
Mica Olmos, JPA Administrator/Clerk

CONSENT CALENDAR

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

1. APPROVAL OF MINUTES FROM THE SEPTEMBER 21, 2016 GOVERNING BOARD MEETING

Recommendation: "A motion to approve the Governing Board Meeting Minutes of September 21, 2016."

2. APPROVAL OF EMPLOYEES ABILITY TO PROVIDE GOODS AND SERVICES UNDER FEDERALLY FUNDED HEALTH CARE PROGRAMS POLICY REQUIRED BY LOS ANGELES DEPARTMENT OF MENTAL HEALTH FOR MEDICAL CERTIFICATION

Recommendation: “A motion to approve and adopt the Employees Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy.”

3. APPROVAL OF HIPAA SECURITY RULE POLICIES AND PROCEDURES MANUAL

Recommendation: “A motion to approve the TCMHC HIPAA Security Rule Policies and Procedures Manual effective October 19, 2016.”

4. APPROVAL FOR THE DONATION OR DESTRUCTION OF SURPLUS FURNITURE AND I.T. EQUIPMENT

Recommendation: “A motion to approve the donation and destruction of surplus items on the Surplus Furniture and I.T. Equipment List for Disposal or Donation -October 2016.”

NEW BUSINESS

5. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2016

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, 2016 and that it includes a 2-page letter which is a required communication to the Board that outlines what VTD did with respect to the audit noting that it was conducted according to generally accepted auditing standards and government auditing standards, as well as certain information related to the planned scope of audit and ultimately, the findings categorized, noting that they covered what the qualitative aspects of accounting practices. He then pointed out that Tri-City adopted two Governmental Accounting Standards Board (GASB) Statements, No. 72, *Fair Value Measurement and Application* which required Tri-City to value its investments according to its fair value; GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB No. 82, dealing with *Pension Issues*; noting that last year Tri-City implemented GASB No. 68 -*Accounting and Financial Reporting for Pensions*, and GASB No. 71 -an amendment of GASB Statement No. 68, dealing with the net pension liability, which redefined what employer covered payroll was; he explained that in the past, all payroll that Tri-City paid to its employees that are in the pension plan, is now redefined just as pension pool wages that are paid to employees in the plan. He stated that also audited were the accounting estimates of Third Party Payor Settlements to make sure they were reasonable; the valuation of the net pension liability and related deferred outflows (inflows) coming from CalPERS; indicating that the actuarial information is audited by a CalPERS auditor, included by management in the financial statements, then is audited by VTD. He added that the underlying information is estimates based on actuarial information. He then talked about significant financial statements disclosures which is the pension plan due to the significant liability as well as the disclosure of the bankruptcy settlement as it is an ongoing matter.

He continued to say that VTD did not encounter any difficulties when performing the audit; did not have any disagreements with management; that Tri-City management signed a representation letter dated October 7, 2016; that there were not any other findings; and that management did not consult with other accounting agencies relating to accounting matters. He noted that there is management discussion and analysis included in the financial statements that is provided by management so that the Board has a perspective of the financial statements comparing last year to this year, which was read by VTD to make sure that it complies with accounting standards regarding its format; however, VTD did not opine the information nor the pension information that is also included as a required supplemental information. He then referred to Page 1, stating that the first paragraph covered the period audited, management responsibilities, VTD responsibilities, and the Audit Opinion which is an unmodified or a clean opinion for years 2015 and 2016. He then referred to Page 2 stating that an emphasis matter to report was the implementation of GASB 72, which was not included in the financial statements last year. He then referred to Page 55, stating that there was another report required by government auditing standards regarding internal control in financial reporting compliance, noting that VTD has the responsibility to identify internal control weaknesses as well as any instances of noncompliance as it relates to financial statements, and noted this report does not include any material weakness or instances of noncompliance; therefore it is a clean report. He then referred to Pages 18, 19, 20 the statement of net position, income statement, and your cash flows, respectively; and explained that the results of operations at the end of the year, and from a net position perspective, Tri-City grew its net positions from 9.5 million to 14 million, a lot of it predicated on revenues coming in and the purchase of a new building; that the income statement reflects an increase of revenues of 3.5 million; that expenses were consistent from prior year; that there was a decrease in cash because a building was purchased but looking at capital assets by 2.8 million is one explanation were the cash was used as well as for a payment made to the bankruptcy debt; that the bankruptcy liability went down approximately 2.4 million and the net pension liability did not go up too significantly compared to other clients which had a significant increase, noting that Tri-City is very fortunate.

Governing Board Lyons inquired if the liability pension information being reported was straight from the figures that are given by the state. Mr. Showalter explained how the pension liability is calculated and how Tri-City's proportion is determined; noting that Tri-City really does not have much control over it, unless Tri-City can add more money into the plan, perhaps CalPERS could give credit resulting in a reduction of the proportion share.

Discussion ensued regarding management oversight of the actual figures from CalPERS and how they ensure that the amounts are applied and calculated for the pension liability.

Mr. Showalter then reported that there was an added disclosure on Pages 31 and 32 about fair value measurements which will be ongoing. He explained that Tri-City's only investment is its share in the LAIF pool considered unleveled investment and is not subject to GASB 72, which requires categorizing investments by its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Lastly, he stated that overall the audit went very well, noting that finance staff closed the books on timely manner allowing VTD to finish the audit earlier than anticipated, and thanked finance staff for their assistance and their support.

The Board thanked Mr. Shoewalter for his audit report.

There being no further discussion, Board Member Lyons moved, and Vice Chair Leeb seconded, to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2016. The motion was carried by the following vote: AYES: Board Members Carder, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Cockrell.

6. APPROVAL OF TRI-CITY MENTAL HEALTH SERVICES POLICY ON CALIFORNIA'S END OF LIFE OPTION ACT

Medical Director Dr. Block reported that the End Of Life Option Act became law in June of this year which allows a California resident 18 years or older, with a life expectancy of less than six months, to elect to receive and aid-in-dying drug by the attending physician. He explained that the potential involvement for Tri-City would be if an attending physician requests a consultation with a psychiatrist or license psychologist if there are concerns about the individual, making the request under this act, having a mental health issue that can affect the decision-making capacity. He noted that many counties have taken the watch-and-wait approach which may include prohibiting their employees from engaging in any aspect of the law, pointing out that even if it was permitted, employees could also sign a personal exception to participating in such request. He added that a policy was drafted for Tri-City which will not allow its employees, any independent contractors, or locum tenens, to participate or enter into an agreement to participate in any part of the End Of Life Option Act.

Discussion ensued regarding different potential situations when Tri-City may be asked to become involved under the End Of Life Option Act; exceptions permitted under the law; the vague aspects of the law; how health plans stand on this policy; and how the proposed Tri-City policy will work.

There being no further discussion, Board Member Lyons moved, and Vice Chair Leeb seconded, to approve and adopt the End of Life Option Act Policy, prohibiting Tri-City employees from participating in activities authorized by the End of Life Option Act/Law. The motion was carried by the following vote: AYES: Board Members Carder, Lyons, Martinez, and Nolte; Vice-Chair Leeb; and Chair Lantz. NOES: None. ABSTAIN: None. ABSENT: Board Member Cockrell.

MONTHLY STAFF REPORTS

7. EXECUTIVE DIRECTOR REPORT

Executive Director Navarro provided an easement update stating that the City of Pomona and Tri-City will share the cost to pay for a full title search and obtain the accurate property description that Tri-City will acquired from the City of Pomona; announced that Dr. Jonathan E. Sherin is the new Director for the Los Angeles County Department of Mental Health (LACDMH) and that Robin Kay will stay as the Deputy Director; that Anita Lee congratulated everyone at Tri-City for the great job being done; and that NPLH has not yet provided information regarding the grant application process.

Discussion ensued regarding how the Housing and Community Department (HCD) will oversee the application process and how the funds will be distributed to all the counties under NPLH; about Tri-City's opportunity to coordinate efforts to be in a position to work with a developer or engage with projects that are underway who are looking for additional funding in which Tri-City can participate to facilitate low income housing that can also benefit Tri-City clients.

Executive Director then reported that in anticipation of the NPLH, staff will be presenting information to the stakeholders about possible allocating funds to the Housing plan that available under the CSS Plan, allowing Tri-City to be ready should there be a project where Tri-City can invest approximately 1 to 1.2 million for permanent supportive housing. She then announced that this was Dr. Block's last meeting since his last day is on Friday, thanked him for all his contributions, and wished him great success in all his future endeavors; she also stated that Board Member John Nolte will not seek City Council re-election, thus, after the election he will cease to be a Tri-City's Governing Board Member and thanked him his for his continued support of Tri-City Mental Health.

Board Member Nolte stated that he loved being a Council Member and serving on Governing Board; however, family and work commitments are not allowing him to continue his public service.

Board Member Lantz expressed gratitude for meeting and working along the side of Council Member John Nolte for his wisdom, knowledge, and understanding of community needs. She spoke about a recent issue regarding a multifamily housing in the City of Pomona when Council Member Nolte spoke very professionally, straight forward, and said all the right things which is so hard for many elected officials. She also stated that she was very proud of him as Council Member Nolte works very hard to make positive changes in the community.

At 5:39 p.m., Chair Paula Lantz left the meeting; and Vice-Chair Leeb presided over the meeting at this time.

Executive Director Navarro continued with a housing report; and stated that Tri-City staff was working on communications with housing project managers.

Board Member Carder announced that the Cedar Springs Apartments will be having an Open House on October 28th at 11:00 a.m.

8. CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta stated that she wanted to give credit where credit was due noting that she has 5 staff members that worked very hard along her side all year long to make sure that Tri-City receives a clean opinion and there are no issues with the audit.

9. CHIEF OPERATIONS OFFICER REPORT

There was no comment.

10. DIRECTOR OF CLINICAL PROGRAM SERVICES REPORT

Governing Board Lyons inquired if the CRT program had already been restructured.

Executive Director Navarro replied in the affirmative noting that staff has been selected to work on this project and that the CRT curriculum had been developed; that Dr. Melissa Magaro from the Cognitive Behavior Therapy Institute had been hired as the consultant on the project to assist staff; that participants for the program will be selected in late November; and that the first program cohort is scheduled to begin in January 2017.

11. MEDICAL DIRECTOR REPORT

Governing Board Lyons stated that Dr. Block will be missed and asked if there was anything established for his successor regarding the continuance of community and medical provider relationships with Tri-City. Dr. Block replied that he had already disseminated information to key staff regarding his activities, as well contact information regarding Tri-City strong partners, and the referral contacts to ensure the streamline of a secure referral process.

Discussion ensued regarding staff training and how Tri-City staff is prepared and have basic knowledge and awareness of common medical issues that affect our population.

12. DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

There was no comment.

13. MANAGER OF BEST PRACTICES REPORT

There was no comment.

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

GOVERNING BOARD COMMENTS

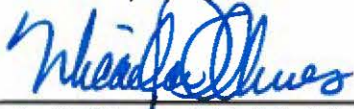
There was no comment.

PUBLIC COMMENT

There was no comment.

ADJOURNMENT

At 5:51 p.m., on consensus of the Governing Board its Regular Meeting of October 19, 2016 was adjourned. The next Regular Meeting of the Governing Board will be held on Wednesday, November 16, 2016 at 4:45 p.m. in the Administration Building, 1717 North Indian Hill Boulevard #B, Claremont, California.



Micaela P. Olmos, JPA Administrator/Clerk