TRI-CITY Mental Health

HOPE. WELLNESS. COMMUNITY.

Let's find it together.

Founded in 1960 by the residents of Pomona, Claremont and La Verne.

GOVERNING BOARD

Jed Leano, Chair (Claremont)
Vacant, Vice-Chair (Pomona)
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Paula Lantz, Member (Pomona)
Wendy Lau, Member (La Verne)
Elizabeth Ontiveros-Cole, Member (Pomona)
Ronald T. Vera, Member (Claremont)

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Wellness Center
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TRI-CITY MENTAL HEALTH AUTHORITY

AGENDA

GOVERNING BOARD / MENTAL HEALTH COMMISSION REGULAR JOINT MEETING

WEDNESDAY, DECEMBER 18, 2024 AT 5:00 P.M.
MHSA ADMINISTRATION BUILDING
2001 NORTH GAREY AVENUE, POMONA, CA 91767

To join the meeting on-line clink on the following link:
https://tricitymhs-org.zoom.us/j/84817256554?pwd=XOjtla_CiwZZGcTPH6Oy8_P1c1C9O5x8.pHTaersxIGZF6r8e
Passcode: awFL+Wy4

Public Participation. *Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board on any item of interest to the public, before or during the consideration of the item, that is within the subject matter jurisdiction of the Governing Board. Therefore, members of the public are invited to speak on any matter on or off the agenda. If the matter is an agenda item, you will be given the opportunity to address the legislative body when the matter is considered. If you wish to speak on a matter which is not on the agenda, you will be given the opportunity to do so at the Public Comment section.* ***No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.***

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

Online participation: *you may provide audio public comment by connecting to the meeting online through the zoom link provided; and use the Raise Hand feature to request to speak.*

Please note that virtual attendance is a courtesy offering and that technical difficulties shall not require that a meeting be postponed.

Written participation: *you may also submit a comment by writing an email to molmos@tricitymhs.org. All email messages received by 3:00 p.m. will be shared with the Governing Board before the meeting.*

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by Tri-City Mental Health Authority to all or a majority of the Governing Board less than 72 hours prior to this meeting, are available for public inspection at 1717 N. Indian Hill Blvd., Suite B, in Claremont during normal business hours.

In compliance with the American Disabilities Act, any person with a disability who requires an accommodation in order to participate in a meeting should contact JPA Administrator/Clerk Mica Olmos at (909) 451-6421 at least 48 hours prior to the meeting.

GOVERNING BOARD CALL TO ORDER

Chair Leano calls the meeting to Order.

ROLL CALL

Board Members Carolyn Cockrell, Paula Lantz, Wendy Lau, Elizabeth Ontiveros-Cole, and Ron Vera; Vice-Chair (Vacant); and Chair Jed Leano.

MENTAL HEALTH COMMISSION ROLL CALL

Commissioners Clarence D. Cernal, Sandra Christensen, Mildred Garcia, Ethel Gardner, Frank Guzman, Laura Mundy, Janet R. Roy, Twila L. Stephens, Toni L. Watson, and Danette E. Wilkerson; Vice-Chair Wray Ryback; and Chair Anne Henderson.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting at the following Tri-City locations: Clinical Facility, 2008 N. Garey Avenue in Pomona; Wellness Center, 1403 N. Garey Avenue in Pomona; Royalty Offices, 1900 Royalty Drive #180/280 in Pomona; MHSA Office, 2001 N. Garey Avenue in Pomona; and on the TCMHA's website: http://www.tricitymhs.org

PRESENTATION

1. **AN AWARD OF RECOGNITION WILL BE PRESENTED TO OUTGOING GOVERNING BOARD VICE-CHAIR JOHN NOLTE, ESQ., FOR HIS LEADERSHIP AND DEDICATED SERVICE TO TRI-CITY MENTAL HEALTH AUTHORITY SINCE JANUARY 2021**

2. **OVERVIEW OF EARLY PSYCHOSIS PROGRAM**

MENTAL HEALTH COMMISSION

3. **APPROVAL OF MINUTES FROM THE NOVEMBER 12, 2024 MENTAL HEALTH COMMISSION REGULAR MEETING**

   Recommendation: "A motion to approve the Mental Health Commission Minutes of its Regular Meeting of November 12, 2024."

CONSENT CALENDAR

4. APPROVAL OF MINUTES FROM THE NOVEMBER 20, 2024 GOVERNING BOARD REGULAR MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Regular Meeting of November 20, 2024."

5. CONSIDERATION OF RESOLUTION NO. 765 ESTABLISHING THE 2025 MEETING SCHEDULE OF THE TRI-CITY MENTAL HEALTH AUTHORITY GOVERNING BOARD AND MENTAL HEALTH COMMISSION

Recommendation: "A motion to adopt Resolution No. 765 establishing the dates, time, and place where the Governing Board and the Mental Health Commission Meetings are held."

6. CONSIDERATION OF RESOLUTION NO. 766 ADOPTING CLASSIFICATION AND SALARY SCHEDULE TO COMPLY WITH THE NEW HEALTH CARE WORKER MINIMUM WAGE REQUIREMENTS EFFECTIVE JANUARY 1, 2025

Recommendation: "A motion to adopt Resolution No. 766 establishing a revised Classification and Salary Schedule for Tri-City Mental Health Authority effective January 1, 2025 to comply with the new health care worker Minimum Wage requirements.

NEW BUSINESS

7. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2024

Recommendation: "A motion to accept and file the Authority's final issued audited Financial Statements for Fiscal Year ended June 30, 2024."

8. CONSIDERATION OF RESOLUTION NO. 767 APPROVING AN AMENDMENT TO THE MHSA ANNUAL UPDATE FY 2024-25 AUTHORIZING THE USE OF UNSPENT COMMUNITY SERVICES AND SUPPORTS (CSS) FUNDING TO SUPPORT THE COMPLETION OF THE CLAREMONT GARDENS SENIOR HOUSING PROJECT IN THE AMOUNT NOT TO EXCEED $3,000,000

Recommendation: "A motion to adopt Resolution No. 767 authorizing the Mid-Year Update to the MHSA Annual Update FY 2024-2025 to allow the use of existing unspent CSS Funds in amount not to exceed $3,000,000, to support the completion of the Claremont Gardens Senior Housing Project.

9. STUDY SESSION ON MENTAL HEALTH SERVICES ACT (MHSA) FUNDING

Recommendation: "Staff recommends that the Governing Board receive the information provided about MHSA Funding and consider its options for future use of funds."

MONTHLY STAFF REPORTS

10. ONTSON PLACIDE, EXECUTIVE DIRECTOR REPORT

11. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

12. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

13. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

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

15. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

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 may at this time speak regarding any Tri-City Mental Health Authority related issue, provided that no action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

ADJOURNMENT

The next Regular Meeting of the **Mental Health Commission** will be held on **Tuesday, January 14, 2025 at 3:30 p.m.**, in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

The next Regular Meeting of the **Governing Board** will be held on **Wednesday, January 15, 2025 at 5:00 p.m.**, in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK

1. AN AWARD OF RECOGNITION WILL BE PRESENTED TO OUTGOING GOVERNING BOARD VICE-CHAIR JOHN NOLTE, ESQ., FOR HIS LEADERSHIP AND DEDICATED SERVICE TO TRI-CITY MENTAL HEALTH AUTHORITY SINCE JANUARY 2021

AGENDA ITEM NO. 1

1. **PRESENTATION - OVERVIEW OF EARLY PSYCHOSIS PROGRAM**

Presenter: Clinical Department

INFORMATION WILL BE PROVIDED DURING MEETING.

MINUTES

REGULAR MEETING OF THE MENTAL HEALTH COMMISSION
NOVEMBER 12, 2024 – 3:30 P.M.

The Mental Health Commission Regular Meeting was held on Tuesday, November 12, 2024, at 3:35 p.m. in the MHSA Administration Building located at 2001 North Garey Avenue, Pomona, California 91767.

CALL TO ORDER Chair Henderson called the meeting to order at 3:35 p.m.

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

MENTAL HEALTH COMMISSION

PRESENT: Anne Henderson, Chair
Wray Ryback, Vice-Chair
Carolyn Cockrell, GB Member Liaison
Sandra Christensen
Ethel Gardner
Frank Guzman
Laura Mundy (arrived at the meeting at 3:45 p.m.)
Twila L. Stephens
Danette E. Wilkerson

ABSENT: Clarence D. Cernal
Mildred Garcia
Janet R. Roy
Toni L. Watson

STAFF

PRESENT: Diana Acosta, Interim Executive Director
Elizabeth Renteria, Chief Clinical Officer (Virtual)
Dana Barford, Director of MHSA & Ethnic Services
Nicole Lobato, Clinical Program Manager
Katie Cesario, Program Support Supervisor Trainee
Mica Olmos, JPA Administrator/Clerk

REGULAR BUSINESS

I. APPROVAL OF MINUTES FROM THE OCTOBER 8, 2024, MENTAL HEALTH COMMISSION SPECIAL MEETING

There being no discussion, Commissioner Guzman moved, and GB Member Liaison Cockrell seconded, to approve the Minutes from the October 8, 2024 Mental Health Commission Special Meeting. The motion was carried by the following vote: AYES: GB Liaison Cockrell; Commissioners Christensen, Gardner, Guzman, Stephens, Wilkerson; Vice-Chair Ryback; and Chair Henderson. NOES: None. ABSTAIN: None. ABSENT: Commissioners Cernal, Garcia, Mundy, Roy, and Watson.

II. PRESENTATION – OVERVIEW OF TCMHA CENTRALIZED SCHEDULING SYSTEM FOR PROVIDERS AND CLIENTS

Chief Clinical Officer Renteria joined the meeting virtually and stated that the Centralized Scheduling team helps TCMHA's most vulnerable clients and that she was proud of the work the team does. She then introduced Clinical Program Manager Nicole Lobato and Program Support Supervisor Trainee Katie Cesario as presenters.

Clinical Program Manager Lobato stated that the Central Scheduling department originated as a pilot program to relieve providers of administrative work and to help them focus on care; and that the team currently assist with Adult Outpatient and Psychiatrists with the hope of future expansion.

Program Support Supervisor Trainee Cesario talked about each of the Central Scheduling team members and how long they have been part of the team.

At 3:45 p.m., Commissioner Laura Mundy arrived at the meeting.

Program Support Supervisor Trainee Cesario then explained that the Central Scheduling team thought of care from a client's perspective and brainstormed important qualities a client would need, noting that the standard for customer service has lowered so the Central Scheduling team focuses on upholding the best care possible to clients focusing on relating to clients and offering accessibility. She also discussed statistics collected from February 2024 through September 2024, pointing out that in those eight months, the department had made or received over 35,910 calls, averaging to approximately 148 calls per day. She explained that the average call length is three minutes eleven seconds, and emphasized the goal of the department is time management and efficiency.

Clinical Program Manager Lobato and Program Support Supervisor Trainee Cesario shared staff success stories and statements of appreciation from clients and reported that staff had voiced improvements in time management and client contact, and that have felt a relief in workload; that clients have voiced feeling more familiar with staff due to interacting with the same staff members repeatedly and have been able to build relationships, resulting in feeling more comfortable; and that some clients had voiced this being the most interaction they receive in their week.

Clinical Program Manager Lobato concluded the presentation by talking about the goal for 2025 which is to onboard the Children and Family department to the Central Scheduling department.

Commissioner Mundy asked what the time frame expectation is for those taking the calls and how does the team collect client feedback. Clinical Program Manager Lobato stated that staff receives an online survey to provide feedback and asks clients on their experience with the department. Program Support Supervisor Trainee Cesario stated the average call time should be three to five minutes, emphasizing the need for client care and meeting their needs; and that this data was collected over a year.

Commissioner Mundy inquired if there is an influx in calls during the holiday season. Clinical Program Manager Lobato replied in the affirmative and stated clients may need additional support which the team provides. Commissioner Mundy suggested an online or post-call survey the clients can take, stating it may be helpful in collecting data.

GB Member Liaison Cockrell inquired how calls are triaged, and if it is a separate team that onboards new clients or if the Central Scheduling team assists with that. Clinical Program Manager Lobato explained that Psychiatrists will make notes on when to schedule appointements and staff will work with the clients to find the best availability, and that Central Scheduling only follows up.

Vice-Chair Ryback stated she was in favor of an online survey for clients and inquired if staff spoke Spanish and how they communicated with other languages. Clinical Program Manager Lobato stated some staff members speak Spanish and they utilize Language Line for any other languages. Vice-Chair Ryback further inquired if the team has explored online platforms for self-scheduling, especially as the team progresses to scheduling younger generations, and if the team follow up with clients for appointment reminders or missed appointments. Clinical Program Manager Lobato explained that the team does call clients with appointment reminders, noting tht the client's name appears in a virtual queue and the team will contact as many times is necessary to reschedule; and that the team has researched online platforms for self-scheduling and hopes to introduce it in the future. Chief Clinical Officer Renteria added that there is work being done to incorporate an online platform that would handle self-scheduling and appointment reminders.

Commissioner Mundy inquired if there is an introduction greeting the clients hear when they call the Central Scheduling number, and if the greeting is only in English and if there is an option for the hearing impaired. Program Support Supervisor Trainee Cesario stated they received a generic greeting stating they have reached the Central Scheduling department and then the caller is transferred to the next available staff member. Clinical Program Manager Lobato added that the greeting is in English and that there is support onsite for the hearing impaired, but was unaware if there was via the phone. Vice-Chair Ryback stated there are resources available for the hearing impaired.

III. INTERIM EXECUTIVE DIRECTOR MONTHLY REPORT

Interim Executive Director Acosta began reported that an update to the TCMHA FY 2024-25 MHSA Annual Update, was prepared to include the Claremont Gardens Senior Housing Project, pointing out that TCMHA posted a draft plan on the website on Friday, November 8, 2024 for a 30-day public comment period, which will end on Saturday, December 7, 2024; and that Governing Board Chair Jed Leano, a Claremont City Council Member, was present at the meeting to answer any questions regarding the plan. She then stated that November is National Native American Heritage Month, and that her report had a list of all TCMHA's events for the month of November. She then talk about the Data Notebook, noting that it is due at the end of November; however, there was an option to extend its submission; and that staff is currently looking to put together an Ad-Hoc committee to work on the Data Notebook, and if anyone was interested to contact JPA Administrator/Clerk Mica Olmos.

Chair Henderson asked what the focus of the Data Notebook was this year. Director of MHSA & Ethnic Services Barford responded the focus is on homelessness.

Vice-Chair Ryback inquired about the dates for the extension deadline. MHSA Projects Manager Sarah Rodriguez stated the new deadline will be January 31, 2025.

JPA Administrator/Clerk Olmos stated she would send an email to the Commission Members with invitations to join the Ad-Hoc committee.

Commissioner Guzman inquired how long is the time commitment to participate in the Ad-Hoc Committee. Director of MHSA & Ethnic Services Barford stated the committee would have approximately three meetings and one presentation.

Vice-Chair Ryback inquired what the plan was for the Claremont Gardens Senior Housing project, and if it will be strictly senior housing. Governing Board Chair Leano replied in the affirmative and explained that the plan is to build fifteen units for extremely low income and low income, TCMHA clients only.

Commissioner Gardner asked if TCMHA plans to work with Hope4Home, and if clients released from Home4Home will be able to connect with TCMHA and possibly be placed in this dwelling. Governing Board Chair Leano replied in the affirmative, stating the target audience are individuals leaving interim housing transitioning to stable, long-term housing. Interim Executive Director Acosta stated TCMHA has contract for a predetermined number of beds from Hope4Home.

Commissioner Christensen inquired if it will be for Claremont residents only and the timeline of the housing project. Governing Board Chair Leano stated it will be for residents in the Tri-City area: Claremont, Pomona, and La Verne, and it will take eighteen to twenty-one months to finalize and open the housing project. Interim Executive Director Acosta added that selection to the housing will be on a lottery system basis.

COMMISSION ITEMS AND REPORTS

Commissioner Wilkerson reported she attended the Adverse Childhood Experiences Webinar and offered her praise for it.

Vice-Chair Ryback stated she looked forward to the Date Notebook, stating the information is needed.

Commissioner Wilkerson asked for clarification on what the Data Notebook is. Chair Henderson stated counties are required to offer a data notebook on the services provided, noting that before it was a report for all services and now the California Behavioral Health Planning Council decide on a topic to gather data from the surrounding cities and counties.

Vice-Chair Ryback inquired what last year's topic was. Director of MHSA & Ethnic Services Barford stated It was Transition Age Youth and older adults. She then clarified the data is collected from L.A. County, specifically Pomona, Claremont, and La Verne.

Commissioner Wilkerson asked if it is an electronic document or a physical notebook. Director of MHSA & Ethnic Services Barford stated it is an electronic survey.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 4:19 p.m., on consensus of the Mental Health Commission its meeting of November 12, 2024, was adjourned. The Mental Health Commission will meet next in a Regular Joint Meeting with the Governing Board to be held on Wednesday, December 18, 2024 at 5:00 p.m. in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

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Micaela P. Olmos, JPA Administrator/Clerk

MINUTES

REGULAR MEETING OF THE GOVERNING BOARD
NOVEMBER 20, 2024 – 5:00 P.M.

The Governing Board Regular Meeting was held on Wednesday, November 20, 2024, at 5:03 p.m. in the MHSA Administration Building located at 2001 North Garey Avenue, Pomona, California.

CALL TO ORDER Chair Leano called the meeting to order at 5:03 p.m.

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

GOVERNING BOARD

PRESENT: Jed Leano, City of Claremont, Chair
Carolyn Cockrell, City of La Verne, Board Member
Paula Lantz, City of Pomona, Board Member
Wendy Lau, City of La Verne, Board Member
Ronald T. Vera, City of Claremont, Board Member
Beverly Johnson, City of Pomona, Alternate Board Member

ABSENT: John Nolte, City of Pomona, Vice-Chair
Elizabeth Ontiveros-Cole, City of Pomona, Board Member

STAFF

PRESENT: Diana Acosta, Interim Executive Director
Steven L. Flower, General Counsel
Trevor Bogle, Interim Chief Financial Officer
Elizabeth Renteria, Chief Clinical Officer
Seeyam Teimoori, Medical Director
Dana Barford, Director of MHSA & Ethnic Services
Natalie Majors-Stewart, Chief Compliance Officer
Mica Olmos, JPA Administrator/Clerk

CONSENT CALENDAR

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

There being no comment, Board Member Lau moved, and Board Member Cockrell seconded to approve the Consent Calendar Items No. 1-6. The motion was carried by the following vote: Alternate Board Member Johnson; Board Members Cockrell, Lantz, Lau, Vera; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Ontiveros-Cole; and Vice-Chair Nolte.

1. APPROVAL OF MINUTES FROM THE JULY 10, 2024, GOVERNING BOARD SPECIAL MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Special Meeting of July 10, 2024."

2. APPROVAL OF MINUTES FROM THE OCTOBER 23, 2024, GOVERNING BOARD ADJOURNED REGULAR MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Adjourned Regular Meeting of October 23, 2024."

3. APPROVAL OF MINUTES FROM THE OCTOBER 29, 2024, GOVERNING BOARD SPECIAL MEETING

Recommendation: "A motion to approve the Minutes of the Governing Board Special Meeting of October 29, 2024."

4. CONSIDERATION OF RESOLUTION NO. 761 APPROVING A THREE-YEAR AGREEMENT WITH THE POMONA UNIFIED SCHOOL DISTRICT (PUSD) TO PROVIDE MENTAL HEALTH SERVICES TO DISTRICT'S STUDENTS AND THEIR FAMILIES IDENTIFIED AND REFERRED BY THE DISTRICT; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT

Recommendation: "A motion to adopt Resolution No. 761 approving the Agreement with the PUSD for mental health services to be provided from July 1, 2024, through June 30, 2027, and authorizing Executive Director to execute the Agreement."

5. CONSIDERATION OF RESOLUTION NO. 762 APPROVING A MEMORANDUM OF AGREEMENT WITH THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) FOR A HOUSING SOLUTIONS FUND GRANT IN THE AMOUNT OF $35,000.00 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE MOA

Recommendation: "A motion to adopt Resolution No. 762 approving the Memorandum of Agreement with the SGVCOG for a Housing Solutions Fund Grant in the amount of $35,000.00 from November 20, 2024, through June 30, 2025 and authorizing Executive Director to execute the MOA."

6. CONSIDERATION OF RESOLUTION NO. 763 APPROVING THE ENGAGEMENT OF HOOPER, LUNDY & BOOKMAN, P.C. FOR SPECIAL COUNSEL HEALTHCARE LAW LEGAL SERVICES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN ENGAGEMENT LETTER REGARDING THE SAME

Recommendation: "A motion to adopt Resolution No. 763 approving the engagement of Hooper, Lundy & Bookman, P.C. for special counsel healthcare law legal services and authorizing the Executive Director to execute the Engagement Letter with Hooper, Lundy & Bookman, P.C. dated November 14, 2024."

NEW BUSINESS

7. CONSIDERATION OF RESOLUTION NO. 764 APPOINTING ONTSON PLACIDE TO BE THE EXECUTIVE DIRECTOR OF THE TRI-CITY MENTAL HEALTH AUTHORITY AND APPROVING AN EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT WITH ONTSON PLACIDE WITH AN ANNUAL BASE SALARY OF $317,271.97, EFFECTIVE DECEMBER 9, 2024

Interim Executive Director Acosta provided an overview of the salary and benefits offered to Mr. Ontson Placide which he had accepted, noting that his annual base salary will be $317,271.97, that is Step 2 of Classification 93 of TCMHA's Master Classification and Salary Schedule; that the benefits offered are the same provided to other members of TCMHA's Executive Team; and that Mr. Placide is scheduled to start his employment on December 9, 2024.

General Counsel Flower distributed the current Benefits Summary which will be included as Exhibit B to the Employment Agreement with Mr. Ontson Placide. Chair Leano inquired if the Summary Benefits would be made available to the public. General Counsel Flower replied in the affirmative.

Board Member Vera asked staff to explain how the salary was determined and if it was a competitive salary. Interim Executive Director Acosta replied in the affirmative, noting that the salary was based on a classification and compensation study conducted in October 2023.

General Counsel Flower reported that there was one error in the draft resolution under Section 2, Paragraph B should read "The Chair of the Governing Board" instead of Interim Executive Director; and that there was an error in the Employment Agreement, on Page 5 under Section 9(a) references "City" and should read "TCMHA". Chair Leano sought clarification if it should read "Tri-City Mental Health Authority Report" and not "City Report". General Counsel Flower responded in the affirmative.

Board Member Vera thanked staff for their hard work in the recruitment and stated he was confident in the choice made.

Chair Leano stated he received commendation from applicants on the recruitment process, noting that there was outstanding communication; and praised Human Resources Director Torregano for the excellent work on the recruitment process noting that it exceeded previous recruitment processes. Human Resources Director Torregano thanked the Board and stated she would pass the commendation onto her staff.

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

There being no further comment, Board Member Lantz moved, and Board Member Lau seconded to adopt Resolution No. 764 appointing Mr. Ontson Placide to be the Executive Director of the Tri-City Mental Health Authority; approving an Executive Director Employment Agreement with Mr. Placide with an annual Base Salary of $317,271.97, effective December 9, 2024; and adopting the staff's oral summary of the Executive Director's salary and benefits. The motion was carried by the following vote: Alternate Board Member Johnson; Board Members Cockrell, Lantz, Lau, and Vera; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Ontiveros-Cole; and Vice-Chair Nolte.

<u>MONTHLY STAFF REPORTS</u>

8. DIANA ACOSTA, INTERIM EXECUTIVE DIRECTOR REPORT

Interim Executive Director Acosta stated that it had been her pleasure serving as the Interim Executive Director and expressed excitement on the appointment of the new executive director. She then reported that the MHSA Annual Update Mid-Year Update to support the completion of the Claremont Gardens Senior Housing Project had been posted for its 30-day public comment period; and that November was National Native American Heritage Month and acknowledged the unique mental health challenges and trauma experienced by this community. She also stated that the staff and Executive Team are currently working on the CBHDA update regarding Proposition 1; however, that concrete information has not been made available and there was not an update to provide the Board.

Board Member Vera inquired about the Baseline Project and there will be an Ad Hoc for three-million-dollar funding that will be reallocated for the project. Interim Executive Director Acosta explained that there is no need to transfer funds as they are currently allocated in the CSS Plan under the MHSA budget. Board Member Vera further inquired if staff had received a proposal regarding how this 3-million will be spent and if is being monitored. General Counsel Flower stated there has not been a chance to reengage on the monitoring of funds. Interim Executive Director Acosta added that she and Interim Chief Financial Officer Bogle hold bi-weekly meetings and are continuing to monitor and work on the reports. Board Member Lantz inquired if it will be brought back to the Board. Interim Executive Director Acosta responded in the affirmative. Board Members Vera and Lantz expressed the importance of accountability given the challenges that had taken place. General Counsel Flower stated it has been discussed.

Chair Leano inquired if the wage update under Senate Bill 525 was reflected in the last budget report, and if there will be a cash reserve to meet the 13% increase. Interim Chief Financial Officer Bogle stated that it has not been added to the budget; however, there is a cash reserve and this increase will be within budget; and that a budget amendment will be presented to the Board for its approval.

9. TREVOR BOGLE, INTERIM CHIEF FINANCIAL OFFICER REPORT

Interim Chief Financial Officer Bogle stated the audited financial statement has been received and unmodified or clean opinion, noting that JPA Administrator/Clerk Olmos will distribute it to the Board and the three cities, and that the next step will be to submit the audited financial statements to the State. He then talked about reversion, stating that TCMHA is working updating the ARER (Annual Revenue and Expense Report) to present current info in a timelier manner. He then spoke about the influx of cash received in October 2023, and indicated that TCMHA is only two hundred thousand away from where the agency was at the same time last year, meaning there is more money to spend but is being monitored.

Board Member Vera inquired if any money can be set aside for contingency matters. Interim Chief Financial Officer Bogle stated there is a $2.2 million dollar reserve, and that additional one million dollars can be moved. Interim Executive Director Acosta added that there is a limit to the prudent reserve. Board Member Vera asked if the contingency includes any capital expenditures for land. Interim Executive Director Acosta stated that these type of funds would be allocated in the Capital Facilities and Technology Plan (CFTN). Interim Chief Financial Officer Bogle stated the current CFTN fund balance is approximately $6 million dollars and it is protected for 10 years.

Discussion ensued regarding the $10 million dollar funds and the need to consider how to increase operating costs, which includes considering Prop 1 and a capacity study to find out about hiring more staff; and about implementing a long-term plan.

10. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria talked about her work in the California Health Improvement Project, stating she concluded her interviews and identified objectives to work on; and reported that the project was about improving client attendance and participation in services; and that some factors have been identified such as helping staff learn hot to build better therapeutic alliances with clients and providing specific trainings teaching staff how to better connect with clients and families. She next spoke on the Mobile Crisis Care Unit, noting that TCMHA is currently hiring staff for the team and with additional funding will be expanding to Children's Mobile Crisis Care, and that the teams will start taking shifts beginning in December. She also reported that the Therapeutic Community Garden Reopening in October was a positive event for the community.

Board Member Vera inquired if the Mobile Crisis Unit is now active and if clients can call. Chief Clinical Officer Renteria stated there has always been staff available for crisis, but there is now an active team that will respond. Board Member Vera commented on a recent event that took place and asked if TCMHA Mobile Crisis Unit could have responded instead of Police. Chief Clinical Officer Renteria stated that the Mobile Crisis Unit can now be called, noting that there will be a soft opening in January and she will be visiting agencies to promote services, including the three cities, law enforcement, and first responders.

11. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Medical Director Teimoori stated a new medication named Cobenfy, intended for treating schizophrenia has been approved, noting that the medication has reported successful studies; that TCMHA has received samples and one doctor has started prescribing it.

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

Director of MHSA and Ethnic Services Barford stated the Innovations team recently hosted the Trunk or Treat event, stating that it was an opportunity for staff to connect with the community and collected a total of eighty-eight surveys. She stated the team also hosted the Courageous Minds event allowing community members to share their experiences with the community; and that the Wellness Center Job Fair had one hundred twenty-five participants and overall positive comments were received.

13. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart received the results of the Consumer Perception Survey sent to clients and reported that one hundred and ninety-four clients participated, and that the rate of agreement was 85%. She then stated that in December, an agency wide capacity assessment will be distributed asking staff if they are serving everyone, what is their priority, and if they are equipped.

Board Member Vera inquired if this survey will be conducted in-house. Chief Compliance Officer Majors-Stewart stated that a third-party will be used; however, the data will remain in-house.

GOVERNING BOARD COMMENTS

Chair Leano thanked Diana Acosta for her service as interim executive director and praised her for her hard work, pointing out that she had done a huge service to TCMHA and that we were very lucky to have her serve as the interim executive director.

Interim Executive Director Acosta stated she was grateful for the opportunity and that she appreciated all the support she received from staff and the Board.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 5:38 p.m., on consensus of the Governing Board its meeting of November 20, 2024, was adjourned. The Governing Board will meet next in a Regular Joint Meeting with the Mental Health Commission to be held on Wednesday, December 18, 2024 at 5:00 p.m. in the MHSA Administrative Office, 2001 North Garey Avenue, Pomona, California.

____
Micaela P. Olmos, JPA Administrator/Clerk

Tri-City Mental Health Authority
AGENDA REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Ontson Placide, Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Consideration of Resolution No. 765 Adopting the 2025 Meeting Schedule of the Tri-City Mental Health Authority Governing Board and Mental Health Commission

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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.

Background:

It is convenient and useful to Tri-City Mental Health Authority'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.

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 meetings are not held, in the MHSA Office located at 2001 North Garey Avenue in Pomona, California.

Funding:

None required.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 765 establishing the dates, time, and place where the Governing Board and the Mental Health Commission Meetings are held.

Attachment:

Attachment 5-A: Resolution No. 765, Adopting the 2025 GB & MHC Meeting Schedule

RESOLUTION NO. 765

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING ITS 2025 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. 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 shall be fixed by resolution of the Governing Board.

C. 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 Authority's 2025 Meeting Schedule attached herein as "Exhibit A".

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 18, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:

STEVEN L. FLOWER, GENERAL COUNSEL

ATTEST:

MICAELA P. OLMOS, RECORDING SECRETARY

ATTACHMENT 5-A

TRI·CITY Mental Health

HOPE. WELLNESS. COMMUNITY.

Let's find it together.

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TRI-CITY MENTAL HEALTH AUTHORITY

2025 MEETING SCHEDULE

Effective January 1, 2025

	Governing Board		Mental Health Commission	
January	15	5:00 p.m.	14	3:30 p.m.
February	19	5:00 p.m.	11	3:30 p.m.
March	19	5:00 p.m.	11	3:30 p.m.
April	16	5:00 p.m.	8	3:30 p.m.
May	21*	5:00 p.m.	21*	5:00 p.m.
June	18	5:00 p.m.	10	3:30 p.m.
July	16	5:00 p.m.	8	3:30 p.m.
August	DARK		DARK	
September	17	5:00 p.m.	9	3:30 p.m.
October	15	5:00 p.m.	14	3:30 p.m.
November	19	5:00 p.m.	11	3:30 p.m.
December	17*	5:00 p.m.	17*	5:00 p.m.

Governing Board Regular Meetings

Held the 3rd Wednesday of the Month*; except in August when no meetings are held

Mental Health Commission Regular Meetings

Held the 2nd Tuesday of the Month*; except in August when no meetings are held

**Joint Regular Meetings of the Governing Board and Mental Health Commission* are held twice annually on the 3rd Wednesday of the months of May and December.

Meeting Location

MHSA Building, 2001 N. Garey Avenue, Pomona, CA 91767

EXHIBIT A

Administrative Office
1717 North Indian Hill Boulevard, Suite B
Claremont, CA 91711
Phone (909) 623-6131
Fax (909) 623-4073

Clinical Office / Adult
2008 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 865-9281

Clinical Office / Child & Family
1900 Royalty Drive, Suite 180
Pomona, CA 91767
Phone (909) 766-7340
Fax (909) 865-0730

MHSA Administrative Office
2001 North Garey Avenue
Pomona, CA 91767
Phone (909) 623-6131
Fax (909) 326-4690

Wellness Center
1403 North Garey Avenue
Pomona, CA 91767
Phone (909) 242-7600
Fax (909) 242-7691

Tri-City Mental Health Authority
AGENDA REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Ontson Placide, Executive Director

BY: Kitha Torregano, Human Resources Director

SUBJECT: Consideration of Resolution No. 766 Adopting Revised Master Classification and Salary Schedule to Comply with the New Health Care Worker Minimum Wage Requirements Effective January 1, 2025

Summary:

Effective January 1, 2025, the State minimum wage for healthcare workers, as outlined in Senate Bill (SB) No. 525, will increase to $23 per hour. This applies to all employers that are county-owned, operated, or affiliated and serve a county population exceeding 5 million.

To ensure compliance with this new minimum wage requirement, we have revised the Master Classification and Salary Schedule. The updated document, reflecting adjustments to nine classifications and their respective salary ranges, is attached for your review.

Background:

In previous months, The Governing Board was informed about Senate Bill No. 525, which aims to incrementally raise the minimum wage for healthcare workers over the next three years. Initially, the law required the minimum wage for healthcare workers to be raised to $21 for most healthcare agencies effective June 1, 2024. However, this was delayed to July 1, 2024, in accordance with SB 828. Ultimately, on October 1, 2024, the DCHS initiated notification to the Legislative Committee commencing the effective date of minimum wage increase as October 15, 2024 or January 1, 2025 for certain county behavioral health facilities.

As Tri-City Mental Health Authority (Tri-City) is one of the healthcare facilities covered by SB 525, the Human Resources Department has identified nine job classifications that are affected, encompassing about 38 staff members which equates to approximately 18% of staff. More specifically, the following TCMHA classifications were impacted by SB 525: Behavioral Health Advocate I/II, Peer Support Specialist I/II, TCG Gardener, Office Assistant, Office Specialist, Behavioral Health Worker, Medical Assistant, and Program Support Supervisor.

Fiscal Impact:

This adjustment to nine classifications and 38 staff to the minimum hourly rate of $23/hour or more depending on current step within range, will result in an increase of 0.48% to budget resulting in a fiscal impact of $117,972.82.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 766 establishing a revised Master Classification and Salary Schedule for Tri-City Mental Health Authority effective January 1, 2025 to comply with California's new healthcare worker minimum wage requirements.

Attachments:

Attachment 6-A: Resolution No. 766 - Draft

Attachment 6-B: Master Classification and Salary Schedule Effective 01/01/2025

RESOLUTION NO. 766

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED MASTER CLASSIFICATION AND SALARY SCHEDULE EFFECTIVE JANUARY 1, 2025 TO COMPLY WITH SENATE BILL 525

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 Master Classification and Salary Schedule to comply with Senate Bill No. 525, which requires the health care worker minimum wage to increase to $23 per hour beginning on January 1, 2025.

B. Nine (9) TCMHA classifications were impacted by SB 525: Behavioral Health Advocate I/II, Peer Support Specialist I/II, TCG Gardener, Office Assistant, Office Specialist, Behavioral Health Worker, Medical Assistant, and Program Support Supervisor. This adjustment will result in an increase of 0.48% to budget resulting in a fiscal impact of $117,972.82.

2. Action

The Governing Board approves and establishes the Authority's revised Master Classification and Salary Schedule effective January 1, 2025 to comply with the new health care worker 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 18, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM: ATTEST:

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

ATTACHMENT 6-A

Client
Proposed Salary Plan
Month Year

Salary Range	Annually						Monthly						Per Pay Period						Hourly					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
15	[redacted]	[redacted]	48,546.58	50,973.94	53,522.77	56,198.90	[redacted]	[redacted]	4,045.55	4,247.83	4,460.23	4,683.24	[redacted]	[redacted]	1,867.18	1,960.54	2,058.57	2,161.50	[redacted]	[redacted]	23.33970	24.50670	25.73210	27.01870
16	[redacted]	[redacted]	49,760.26	52,248.35	54,860.83	57,603.73	[redacted]	[redacted]	4,146.69	4,354.03	4,571.74	4,800.31	[redacted]	[redacted]	1,913.86	2,009.55	2,110.03	2,215.53	[redacted]	[redacted]	23.92320	25.11940	26.37540	27.69410
17	[redacted]	48,575.49	51,004.30	53,554.59	56,232.38	59,043.92	[redacted]	4,047.96	4,250.36	4,462.88	4,686.03	4,920.33	[redacted]	1,868.29	1,961.70	2,059.79	2,162.78	2,270.92	[redacted]	23.35360	24.52130	25.74740	27.03480	28.38650
18	[redacted]	49,790.00	52,279.55	54,893.49	57,638.05	60,520.10	[redacted]	4,149.17	4,356.63	4,574.46	4,803.17	5,043.34	[redacted]	1,915.00	2,010.75	2,111.29	2,216.85	2,327.70	[redacted]	23.93750	25.13440	26.39110	27.71060	29.09620
19	48,604.40	51,034.67	53,586.42	56,265.66	59,079.07	62,033.09	4,050.37	4,252.89	4,465.53	4,688.81	4,923.26	5,169.42	1,869.40	1,962.87	2,061.02	2,164.06	2,272.27	2,385.89	23.36750	24.53590	25.76270	27.05080	28.40340	29.82360
20	49,819.54	52,310.54	54,926.14	57,672.37	60,556.08	63,583.73	4,151.63	4,359.21	4,577.18	4,806.03	5,046.34	5,298.64	1,916.14	2,011.94	2,112.54	2,218.17	2,329.08	2,445.53	23.95170	25.14930	26.40680	27.72710	29.11350	30.56910
21	51,065.04	53,618.24	56,299.15	59,114.22	62,069.90	65,173.47	4,255.42	4,468.19	4,691.60	4,926.19	5,172.49	5,431.12	1,964.04	2,062.24	2,165.35	2,273.62	2,387.30	2,506.67	24.55050	25.77800	27.06690	28.42030	29.84130	31.33340
22	52,341.74	54,958.80	57,706.69	60,592.06	63,621.58	66,802.74	4,361.81	4,579.90	4,808.89	5,049.34	5,301.80	5,566.89	2,013.14	2,113.80	2,219.49	2,330.46	2,446.98	2,569.34	25.16430	26.42250	27.74360	29.13080	30.58730	32.11670
23	53,650.27	56,332.85	59,149.38	62,106.93	65,212.16	68,472.77	4,470.86	4,694.40	4,929.11	5,175.58	5,434.35	5,706.06	2,063.47	2,166.65	2,274.98	2,388.73	2,508.16	2,633.57	25.79340	27.08310	28.43720	29.85910	31.35200	32.91960
24	54,991.46	57,741.01	60,628.05	63,659.44	66,842.46	70,184.61	4,582.62	4,811.75	5,052.34	5,304.95	5,570.21	5,848.72	2,115.06	2,220.81	2,331.85	2,448.44	2,570.86	2,699.41	26.43820	27.76010	29.14810	30.60550	32.13580	33.74260
25	56,366.34	59,184.53	62,143.74	65,251.06	68,513.54	71,939.30	4,697.19	4,932.04	5,178.65	5,437.59	5,709.46	5,994.94	2,167.94	2,276.33	2,390.14	2,509.66	2,635.14	2,766.90	27.09920	28.45410	29.87680	31.37070	32.93920	34.58620
26	57,775.54	60,664.24	63,697.50	66,882.40	70,226.42	73,737.66	4,814.63	5,055.35	5,308.13	5,573.53	5,852.20	6,144.81	2,222.14	2,333.24	2,449.90	2,572.40	2,701.02	2,836.06	27.77670	29.16550	30.62380	32.15500	33.76270	35.45080
27	59,219.89	62,180.77	65,289.95	68,554.30	71,982.14	75,581.17	4,934.99	5,181.73	5,440.83	5,712.86	5,998.51	6,298.43	2,277.69	2,391.57	2,511.15	2,636.70	2,768.54	2,906.97	28.47110	29.89460	31.38940	32.95880	34.60680	36.33710
28	60,700.43	63,735.36	66,922.13	70,268.22	73,781.55	77,470.64	5,058.37	5,311.28	5,576.84	5,855.69	6,148.46	6,455.89	2,334.63	2,451.36	2,573.93	2,702.62	2,837.75	2,979.64	29.18290	30.64200	32.17410	33.78280	35.47190	37.24550
29	62,217.79	65,328.64	68,595.07	72,024.99	75,626.10	79,407.54	5,184.82	5,444.05	5,716.26	6,002.08	6,302.17	6,617.29	2,392.99	2,512.64	2,638.27	2,770.19	2,908.70	3,054.14	29.91240	31.40800	32.97840	34.62740	36.35870	38.17670
30	63,773.22	66,961.86	70,310.03	73,825.65	77,516.82	81,392.69	5,314.43	5,580.15	5,859.17	6,152.14	6,459.73	6,782.72	2,452.82	2,575.46	2,704.23	2,839.45	2,981.42	3,130.49	30.66020	32.19320	33.80290	35.49310	37.26770	39.13110
31	[redacted]	[redacted]	72,067.84	75,671.23	79,454.75	83,427.55	[redacted]	[redacted]	6,005.65	6,305.94	6,621.23	6,952.30	[redacted]	[redacted]	2,771.84	2,910.43	3,055.95	3,208.75	[redacted]	[redacted]	34.64800	36.38040	38.19940	40.10940
32	67,001.79	70,351.84	73,869.54	77,562.99	81,441.15	85,513.17	5,583.48	5,862.65	6,155.79	6,463.58	6,786.76	7,126.10	2,576.99	2,705.84	2,841.14	2,983.19	3,132.35	3,288.97	32.21240	33.82300	35.51420	37.28990	39.15440	41.11210
33	68,676.82	72,110.69	75,716.16	79,501.97	83,477.06	87,650.99	5,723.07	6,009.22	6,309.68	6,625.16	6,956.42	7,304.25	2,641.42	2,773.49	2,912.16	3,057.77	3,210.66	3,371.19	33.01770	34.66860	36.40200	38.22210	40.13320	42.13990
34	70,393.86	73,913.42	77,609.17	81,489.62	85,564.13	89,842.27	5,866.15	6,159.45	6,467.43	6,790.80	7,130.34	7,486.86	2,707.46	2,842.82	2,984.97	3,134.22	3,290.93	3,455.47	33.84320	35.53530	37.31210	39.17770	41.13660	43.19340
35	72,153.54	75,761.30	79,549.39	83,526.77	87,703.20	92,088.26	6,012.79	6,313.44	6,629.12	6,960.56	7,308.60	7,674.02	2,775.14	2,913.90	3,059.59	3,212.57	3,373.20	3,541.86	34.68920	36.42370	38.24490	40.15710	42.16500	44.27320
36	73,957.52	77,655.34	81,538.08	85,615.09	89,895.73	94,390.61	6,163.13	6,471.28	6,794.84	7,134.59	7,491.31	7,865.88	2,844.52	2,986.74	3,136.08	3,292.89	3,457.53	3,630.41	35.55650	37.33430	39.20100	41.16110	43.21910	45.38010
37	75,806.43	79,596.82	83,576.48	87,755.41	92,143.17	96,750.37	6,317.20	6,633.07	6,964.71	7,312.95	7,678.60	8,062.53	2,915.63	3,061.42	3,214.48	3,375.21	3,543.97	3,721.17	36.44540	38.26770	40.18100	42.19010	44.29960	46.51460
38	77,701.52	81,586.54	85,666.05	89,949.18	94,446.77	99,168.99	6,475.13	6,798.88	7,138.84	7,495.77	7,870.56	8,264.08	2,988.52	3,137.94	3,294.85	3,459.58	3,632.57	3,814.19	37.35650	39.22430	41.18560	43.24480	45.40710	47.67740
39	79,644.03	83,626.40	87,807.62	92,198.08	96,807.98	101,648.35	6,637.00	6,968.87	7,317.30	7,683.17	8,067.33	8,470.70	3,063.23	3,216.40	3,377.22	3,546.08	3,723.38	3,909.55	38.29040	40.20500	42.21520	44.32600	46.54230	48.86940
40	81,635.22	85,717.01	90,002.85	94,502.93	99,228.06	104,189.49	6,802.93	7,143.08	7,500.24	7,875.24	8,269.01	8,682.46	3,139.82	3,296.81	3,461.65	3,634.73	3,816.46	4,007.29	39.24770	41.21010	43.27060	45.43410	47.70580	50.09110
41	83,676.11	87,859.82	92,252.78	96,865.60	101,708.88	106,794.27	6,973.01	7,321.65	7,687.73	8,072.13	8,475.74	8,899.52	3,218.31	3,379.22	3,548.18	3,725.60	3,911.88	4,107.47	40.22890	42.24030	44.35230	46.57000	48.89850	51.34340
42	85,767.97	90,056.30	94,559.30	99,287.14	104,251.47	109,464.16	7,147.33	7,504.69	7,879.94	8,273.93	8,687.62	9,122.01	3,298.77	3,463.70	3,636.90	3,818.74	4,009.67	4,210.16	41.23460	43.29630	45.46120	47.73420	50.12090	52.62700
43	87,912.24	92,307.70	96,923.22	101,769.41	106,857.71	112,200.61	7,326.02	7,692.31	8,076.93	8,480.78	8,904.81	9,350.05	3,381.24	3,550.30	3,727.82	3,914.21	4,109.91	4,315.41	42.26550	44.37870	46.59770	48.92760	51.37390	53.94260
44	90,109.97	94,615.46	99,346.21	104,313.66	109,529.26	115,005.70	7,509.16	7,884.62	8,278.85	8,692.81	9,127.44	9,583.81	3,465.77	3,639.06	3,821.01	4,012.06	4,212.66	4,423.30	43.32210	45.48820	47.76260	50.15080	52.65830	55.29120
45	92,362.82	96,980.83	101,829.94	106,921.36	112,267.38	117,880.88	7,696.90	8,081.74	8,485.83	8,910.11	9,355.61	9,823.41	3,552.42	3,730.03	3,916.54	4,112.36	4,317.98	4,533.88	44.40520	46.62540	48.95670	51.40450	53.97470	56.67350
46	94,671.82	99,405.49	104,375.65	109,594.37	115,074.13	120,827.82	7,889.32	8,283.79	8,697.97	9,132.86	9,589.51	10,068.99	3,641.22	3,823.29	4,014.45	4,215.17	4,425.93	4,647.22	45.51530	47.79110	50.18060	52.68960	55.32410	58.09030
47	97,038.66	101,890.46	106,985.01	112,334.35	117,950.98	123,848.61	8,086.55	8,490.87	8,915.42	9,361.20	9,829.25	10,320.72	3,732.26	3,918.86	4,114.81	4,320.55	4,536.58	4,763.41	46.65320	48.98580	51.43510	54.00690	56.70720	59.54260
48	99,464.56	104,437.84	109,659.68	115,142.56	120,899.79	126,944.69	8,288.71	8,703.15	9,138.31	9,595.21	10,074.98	10,578.72	3,825.56	4,016.84	4,217.68	4,428.56	4,649.99	4,882.49	47.81950	50.21050	52.72100	55.35700	58.12490	61.03110
49	101,951.20	107,048.66	112,401.12	118,021.28	123,922.24	130,118.35	8,495.93	8,920.72	9,366.76	9,835.11	10,326.85	10,843.20	3,921.20	4,117.26	4,323.12	4,539.28	4,766.24	5,004.55	49.01500	51.46570	54.03900	56.74100	59.57800	62.55690
50	104,500.03	109,724.99	115,211.20	120,971.76	127,020.40	133,371.26	8,708.34	9,143.75	9,600.93	10,080.98	10,585.03	11,114.27	4,019.23	4,220.19	4,431.20	4,652.76	4,885.40	5,129.66	50.24040	52.75240	55.39000	58.15950	61.06750	64.12080
51	107,112.51	112,468.10	118,091.38	123,996.08	130,195.94	136,705.71	8,926.04	9,372.34	9,840.95	10,333.01	10,849.66	11,392.14	4,119.71	4,325.70	4,541.98	4,769.08	5,007.54	5,257.91	51.49640	54.07120	56.77470	59.61350	62.59420	65.72390
52	109,790.30	115,279.84	121,043.73	127,095.90	133,450.72	140,123.36	9,149.19	9,606.65	10,086.98	10,591.33	11,120.89	11,676.95	4,222.70	4,433.84	4,655.53	4,888.30	5,132.72	5,389.36	52.78380	55.42300	58.19410	61.10380	64.15900	67.36700
53	112,535.07	118,161.68	124,069.92	130,273.31	136,787.04	143,626.29	9,377.92	9,846.81	10,339.16	10,856.11	11,398.92	11,968.86	4,328.27	4,544.68	4,771.92	5,010.51	5,261.04	5,524.09	54.10340	56.80850	59.64900	62.63140	65.76300	69.05110
54	115,348.48	121,115.90	127,171.62	133,530.18	140,206.77	147,216.99	9,612.37	10,092.99	10,597.63	11,127.51	11,683.90	12,268.08	4,436.48	4,658.30	4,891.22	5,135.78	5,392.57	5,662.19	55.45600	58.22880	61.14020	64.19720	67.40710	70.77740
55	118,232.19	124,143.76	130,350.90	136,868.37	143,711.78	150,897.55	9,852.68	10,345.31	10,862.57	11,405.70	11,975.98	12,574.80	4,547.39	4,774.76	5,013.50	5,264.17	5,527.38	5,803.75	56.84240	59.68450	62.66870	65.80210	69.09220	72.54690
56	121,187.87	127,247.33	133,609.63	140,290.18	147,304.56	154,669.84	10,098.99	10,603.94	11,134.14	11,690.85	12,275.38	12,889.15	4,661.07	4,894.13	5,138.83	5,395.78	5,665.56	5,948.84	58.26340	61.17660	64.23540	67.44720	70.81950	74.36050
57	124,217.60	130,428.48	136,949.90	143,797.47	150,987.20	158,536.56	10,351.47	10,869.04	11,412.49	11,983.12	12,582.27	13,211.38	4,777.60	5,016.48	5,267.30	5,530.67	5,807.20	6,097.56	59.72000	62.70600	65.84130	69.13340	72.59000	76.21950
58	127,323.04	133,689.30	140,373.58	147,392.34	154,761.98	162,500.00	10,610.25	11,140.77	11,697.80	12,282.69	12,896.83	13,541.67	4,897.04	5,141.90	5,398.98	5,668.94	5,952.38	6,250.00	61.21300	64.27370	67.48730	70.86170	74.40480	78.12500
59	130,506.06	137,031.44	143,882.96	151,077.06	158,630.99	166,562.66	10,875.51	11,419.29	11,990.25	12,589.75	13,219.25	13,880.22	5,019.46	5,270.44	5,533.96	5,810.66	6,101.19	6,406.26	62.74330	65.88050	69.17450	72.63320	76.26490	80.07820
60	133,768.75	140,457.20	147,480.11	154,854.13	162,596.72	170,726.61	11,147.40	11,704.77	12,290.01	12,904.51	13,549.73	14,227.22	5,144.95	5,402.20	5,672.31	5,955.93	6,253.72	6,566.41	64.31190	67.52750	70.90390	74.44910	78.17150	82.08010
61	137,112.98	143,968.66	151,167.12	158,725.42	166,661.66	174,994.77	11,426.08	11,997.39	12,597.26	13,227.12	13,888.47	14,582.90	5,273.58	5,537.26	5,814.12	6,104.82	6,410.06	6,730.57	65.91970	69.21570	72.67650	76.31030	80.12580	84.13210
62	140,540.82	147,567.89	154,946.27	162,693.65	170,828.32	179,369.63	11,711.73	12,297.32	12,912.19	13,557.80	14,235.69	14,947.47	5,405.42	5,675.69	5,959.47	6,257.45	6,570.32	6,898.83	67.56770	70.94610	74.49340	78.21810	82.12900	86.23540
63	144,054.35	151,256.98	158,819.86	166,760.88	175,098.98	183,853.90	12,004.53	12,604.75	13,234.99	13,896.74	14,591.58	15,321.16	5,540.55	5,817.58	6,108.46	6,413.88	6,734.58	7,071.30	69.25690	72.71970	76.35570	80.17350	84.18220	88.39130
64	147,655.66	155,038.42	162,790.37	170,929.82	179,476.34	188,450.29	12,304.64	12,919.87	13,565.86	14,244.15	14,956.36	15,704.19	5,679.06	5,963.02	6,261.17	6,574.22	6,902.94	7,248.09	70.98830	74.53770	78.26460	82.17780	86.28670	90.60110
65	151,347.04	158,914.50	166,860.10	175,203.18	183,963.31	193,161.49	12,612.25	13,242.87	13,905.01	14,600.27	15,330.28	16,096.79	5,821.04	6,112.10	6,417.70	6,738.58	7,075.51	7,429.29	72.76300	76.40120	80.22120	84.23230	88.44390	92.86610
66	155,130.77	162,887.30	171,031.74	179,583.25	188,562.40	197,990.62	12,927.56	13,573.94	14,252.65	14,965.27	15,713.53	16,499.22	5,966.57	6,264.90	6,578.14	6,907.05	7,252.40	7,615.02	74.58210	78.31120	82.22680	86.33810	90.65500	95.18780
67	159,009.14	166,959.52	175,307.39	184,072.93	193,276.51	202,940.40	13,250.76	13,913.29	14,608.95	15,339.41	16,106.38	16,911.70	6,115.74	6,421.52	6,742.59	7,079.73	7,433.71	7,805.40	76.44670	80.26900	84.28240	88.49660	92.92140	97.56750
68	162,984.22	171,133.46	179,690.16	188,674.72	198,108.35	208,013.73	13,582.02	14,261.12	14,974.18	15,722.89	16,509.03	17,334.48	6,268.62	6,582.06	6,911.16	7,256.72	7,619.55	8,000.53	78.35780	82.27570	86.38950	90.70900	95.24440	100.00660
69	167,058.94	175,411.81	184,182.34	193,391.54	203,061.04	213,214.14	13,921.58	14,617.65	15,348.53	16,115.96	16,921.75	17,767.85	6,425.34	6,746.61	7,083.94	7,438.14	7,810.04	8,200.54	80.31680	84.33260	88.54920	92.97670	97.62550	102.50680
70	171,235.38	179,797.07	188,787.04	198,226.29	208,137.70	218,544.56	14,269.61	14,983.09	15,732.25	16,518.86	17,344.81	18,212.05	6,585.98	6,915.27	7,261.04	7,624.09	8,005.30	8,405.56	82.32470	86.44090	90.76300	95.30110	100.06620	105.06950
71	175,516.22	184,291.95	193,506.56	203,181.89	213,341.02	224,008.10	14,626.35	15,357.66	16,125.55	16,931.82	17,778.42	18,667.34	6,750.62	7,088.15	7,442.56	7,814.69	8,205.42	8,615.70	84.38280	88.60190	93.03200	97.68360	102.56780	107.69620
72	179,904.19	188,899.36	198,344.22	208,261.46	218,674.56	229,608.29	14,992.02	15,741.61	16,528.69	17,355.12	18,222.88	19,134.02	6,919.39	7,265.36	7,628.62	8,010.06	8,410.56	8,831.09	86.49240	90.81700	95.35780	100.12570	105.13200	110.38860
73	184,401.78	193,621.79	203,302.94	213,468.11	224,141.42	235,348.46	15,366.81	16,135.15	16,941.91	17,789.01	18,678.45	19,612.37	7,092.38	7,446.99	7,819.34	8,210.31	8,620.82	9,051.86	88.65470	93.08740	97.74180	102.62890	107.76030	113.14830
74	189,011.68	198,462.37	208,385.42	218,804.77	229,744.94	241,232.16	15,750.97	16,538.53	17,365.45	18,233.73	19,145.41	20,102.68	7,269.68	7,633.17	8,014.82	8,415.57	8,836.34	9,278.16	90.87100	95.41460	100.18530	105.19460	110.45430	115.97700
75	193,737.02	203,424.00	213,595.20	224,274.96	235,488.66	247,263.12	16,144.75	16,952.00	17,799.60	18,689.58	19,624.05	20,605.26	7,451.42	7,824.00	8,215.20	8,625.96	9,057.26	9,510.12	93.14280	97.80000	102.69000	107.82450	113.21570	118.87650
76	198,580.51	208,509.60	218,934.98	229,881.81	241,375.89	253,444.67	16,548.38	17,375.80	18,244.58	19,156.82	20,114.66	21,120.39	7,637.71	8,019.60	8,420.58	8,841.61	9,283.69	9,747.87	95.47140	100.24500	105.25720	110.52010	116.04610	121.84840
77	203,545.06	213,722.29	224,408.29	235,628.85	247,410.18	259,780.77	16,962.09	17,810.19	18,700.69	19,635.74	20,617.51	21,648.40	7,828.66	8,220.09	8,631.09	9,062.65	9,515.78	9,991.57	97.85820	102.75110	107.88860	113.28310	118.94720	124.89460
78	208,633.57	219,065.39	230,018.67	241,519.62	253,595.47	266,275.36	17,386.13	18,255.45	19,168.22	20,126.63	21,132.96	22,189.61	8,024.37	8,425.59	8,846.87	9,289.22	9,753.67	10,241.36	100.30460	105.31990	110.58590	116.11520	121.92090	128.01700
79	213,849.38	224,542.03	235,769.04	247,557.44	259,935.31	272,932.19	17,820.78	18,711.84	19,647.42	20,629.79	21,661.28	22,744.35	8,224.98	8,636.23	9,068.04	9,521.44	9,997.51	10,497.39	102.81220	107.95290	113.35050	119.01800	124.96890	131.21740
80	219,195.81	230,155.54	241,663.34	253,746.48	266,433.86	279,755.42	18,266.32	19,179.63	20,138.61	21,145.54	22,202.82	23,312.95	8,430.61	8,852.14	9,294.74	9,759.48	10,247.46	10,759.82	105.38260	110.65170	116.18430	121.99350	128.09320	134.49780
81	224,675.57	235,909.44	247,704.91	260,090.06	273,094.64	286,749.42	18,722.96	19,659.12	20,642.08	21,674.17	22,757.89	23,895.79	8,641.37	9,073.44	9,527.11	10,003.46	10,503.64	11,028.82	108.01710	113.41800	119.08890	125.04330	131.29550	137.86030
82	230,292.40	241,807.07	253,897.49	266,592.35	279,922.03	293,918.14	19,191.03	20,150.59	21,158.12	22,216.03	23,326.84	24,493.18	8,857.40	9,300.27	9,765.29	10,253.55	10,766.23	11,304.54	110.71750	116.25340	122.06610	128.16940	134.57790	141.30680
83	236,049.84	247,852.38	260,244.82	273,257.09	286,919.98	301,265.95	19,670.82	20,654.37	21,687.07	22,771.42	23,910.00	25,105.50	9,078.84	9,532.78	10,009.42	10,509.89	11,035.38	11,587.15	113.48550	119.15980	125.11770	131.37360	137.94230	144.83940
84	241,951.01	254,048.70	266,751.06	280,088.64	294,093.07	308,797.63	20,162.58	21,170.73	22,229.25	23,340.72	24,507.76	25,733.14	9,305.81	9,771.10	10,259.66	10,772.64	11,311.27	11,876.83	116.32260	122.13880	128.24570	134.65800	141.39090	148.46040
85	247,999.86	260,399.78	273,419.74	287,090.75	301,445.25	316,517.55	20,666.65	21,699.98	22,784.98	23,924.23	25,120.44	26,376.46	9,538.46	10,015.38	10,516.14	11,041.95	11,594.05	12,173.75	119.23070	125.19220	131.45180	138.02440	144.92560	152.17190
86	254,199.92	266,909.76	280,255.25	294,268.00	308,981.50	324,430.50	21,183.33	22,242.48	23,354.60	24,522.33	25,748.46	27,035.87	9,776.92	10,265.76	10,779.05	11,318.00	11,883.90	12,478.10	122.21150	128.32200	134.73810	141.47500	148.54880	155.97620
87	260,554.74	273,582.61	287,261.73	301,624.75	316,706.00	332,541.25	21,712.89	22,798.55	23,938.48	25,135.40	26,392.17	27,711.77	10,021.34	10,522.41	11,048.53	11,600.95	12,181.00	12,790.05	125.26670	131.53010	138.10660	145.01190	152.26250	159.87560
88	267,068.67	280,422.06	294,443.14	309,165.38	324,623.73	340,854.80	22,255.72	23,368.51	24,536.93	25,763.78	27,051.98	28,404.57	10,271.87	10,785.46	11,324.74	11,890.98	12,485.53	13,109.80	128.39840	134.81830	141.55920	148.63720	156.06910	163.87250
89	273,745.47	287,432.70	301,804.26	316,894.45	332,739.26	349,376.14	22,812.12	23,952.73	25,150.35	26,407.87	27,728.27	29,114.68	10,528.67	11,055.10	11,607.86	12,188.25	12,797.66	13,437.54	131.60840	138.18880	145.09820	152.35310	159.97080	167.96930
90	280,589.09	294,618.48	309,349.46	324,816.96	341,057.81	358,110.69	23,382.42	24,551.54	25,779.12	27,068.08	28,421.48	29,842.56	10,791.89	11,331.48	11,898.06	12,492.96	13,117.61	13,773.49	134.89860	141.64350	148.72570	156.16200	163.97010	172.16860
91	287,603.68	301,983.97	317,083.10	332,937.28	349,584.14	367,063.42	23,966.97	25,165.33	26,423.59	27,744.77	29,132.01	30,588.62	11,061.68	11,614.77	12,195.50	12,805.28	13,445.54	14,117.82	138.27100	145.18460	152.44380	160.06600	168.06930	176.47280
92	294,793.82	309,533.54	325,010.19	341,260.82	358,323.89	376,239.97	24,566.15	25,794.46	27,084.18	28,438.40	29,860.32	31,353.33	11,338.22	11,905.14	12,500.39	13,125.42	13,781.69	14,470.77	141.72780	148.81420	156.25490	164.06770	172.27110	180.88460

EXHIBIT A

Client
Proposed Salary Plan
Month Year

Salary Range	Annually						Monthly						Per Pay Period						Hourly					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
93	302,163.68	317,271.97	333,135.50	349,792.35	367,281.82	385,645.94	25,180.31	26,439.33	27,761.29	29,149.36	30,606.82	32,137.16	11,621.68	12,202.77	12,812.90	13,453.55	14,126.22	14,832.54	145.27100	152.53460	160.16130	168.16940	176.57780	185.40670
94	309,717.82	325,203.63	341,463.82	358,537.09	376,463.98	395,287.15	25,809.82	27,100.30	28,455.32	29,878.09	31,372.00	32,940.60	11,912.22	12,507.83	13,133.22	13,789.89	14,479.38	15,203.35	148.90280	156.34790	164.16530	172.37360	180.99230	190.04190
95	317,460.83	333,333.73	350,000.56	367,500.43	385,875.57	405,169.23	26,455.07	27,777.81	29,166.71	30,625.04	32,156.30	33,764.10	12,210.03	12,820.53	13,461.56	14,134.63	14,841.37	15,583.43	152.62540	160.25660	168.26950	176.68290	185.51710	194.79290
96	325,397.28	341,667.04	358,750.50	376,688.00	395,522.40	415,298.62	27,116.44	28,472.25	29,895.87	31,390.67	32,960.20	34,608.22	12,515.28	13,141.04	13,798.10	14,488.00	15,212.40	15,973.02	156.44100	164.26300	172.47620	181.10000	190.15500	199.66280
97	333,532.16	350,208.77	367,719.25	386,105.20	405,410.51	425,680.94	27,794.35	29,184.06	30,643.27	32,175.43	33,784.21	35,473.41	12,828.16	13,469.57	14,143.05	14,850.20	15,592.71	16,372.34	160.35200	168.36960	176.78810	185.62750	194.90890	204.65430
98	341,870.46	358,964.11	376,912.22	395,757.86	415,545.73	436,323.06	28,489.21	29,913.68	31,409.35	32,979.82	34,628.81	36,360.25	13,148.86	13,806.31	14,496.62	15,221.46	15,982.53	16,781.66	164.36080	172.57890	181.20780	190.26820	199.78160	209.77070
99	350,417.18	367,938.06	386,335.04	405,651.79	425,934.29	447,231.20	29,201.43	30,661.51	32,194.59	33,804.32	35,494.52	37,269.27	13,477.58	14,151.46	14,859.04	15,601.99	16,382.09	17,201.20	168.46980	176.89330	185.73800	195.02490	204.77610	215.01500
100	359,177.73	377,136.66	395,993.31	415,793.04	436,582.64	458,411.82	29,931.48	31,428.05	32,999.44	34,649.42	36,381.89	38,200.99	13,814.53	14,505.26	15,230.51	15,992.04	16,791.64	17,631.22	172.68160	181.31570	190.38140	199.90050	209.89550	220.39030

TRI-CITY MENTAL HEALTH AUTHORITY
MASTER CLASSIFICATION AND SALARY SCHEDULE
EFFECTIVE JANUARY 1, 2025
ADOPTED DECEMBER 18, 2024

Classification	Salary Range
Accountant	31
Accounting Manager	52
Accounting Technician	22
Administrative Assistant	26
Administrative Services Manager	46
Behavioral Health Advocate I	15
Behavioral Health Advocate II	17
Behavioral Health Program Supervisor	43
Behavioral Health Specialist	22
Behavioral Health Specialist Coordinator	30
Behavioral Health Worker	19
Chief Clinical Officer	70
Chief Compliance Officer & Privacy Officer	65
Chief Financial Officer	70
Chief Information Officer	65
Chief Operating Officer/HIPAA Privacy Officer	70
Clinical Program Manager	53
Clinical Supervisor I	45
Clinical Supervisor II	49
Clinical Therapist I	37
Clinical Therapist II	41
Communications Coordinator	32
Community Behavioral Health Trainer	37
Community Capacity Organizer	37
Community Navigator	19
Compliance Administrator	37
Controller	57
Counselor	31
Crisis Intervention & Medication Support Manager	52
Crisis Intervention & Medication Support Supervisor	37
Data Analyst	42
Data Specialist	38
Data Supervisor	46
Deputy Chief Clinical Officer	61
Director of MHSA & Ethnic Services	65
Diversity, Equity & Inclusion Coordinator	37
Electronic Health Reocrds Specialist	37
Executive Director	93
Facilities and Safety Manager	46
Facilities Coordinator	42
Facilities Maintenance Worker	19
Grants Manager	47
Housing Manager	52
Housing Outreach Specialist	26
Housing Supervisor	46
Human Resources Analyst	38
Human Resources Assistant	19
Human Resources Director	60
Human Resources Technician	25
Information Technology Service Desk & Project Supervisor	46
Information Technology Specialist I	30
Information Technology Specialist II	34
Information Technology Systems Administrator & Security Officer	52
Joint Powers Authority (JPA) Administrator/Clerk	52
Manager of Best Practices	52
Master of Social Work Intern	15
Medical Assistant	15

Medical Director	93
MHSA Program Coordinator	42
MHSA Projects Manager	52
Nurse Practitioner I	56
Nurse Practitioner II	60
Occupational Therapist	50
Office Assistant	15
Office Specialist	19
Peer Support Specialist I	15
Peer Support Specialist II	19
Program Analyst	42
Program Manager	52
Program Supervisor	46
Program Support Supervisor	31
Psychiatric Technician I	22
Psychiatric Technician II	26
Psychiatrist I	82
Psychiatrist II	86
Psychiatrist III	90
Psychologist	46
Quality Assurance Specialst I	38
Quality Assurance Specialst II	42
Quality Assurance Supervisor	46
Residential Services Coordinator	18
Revenue/Billing Manager	52
Senior Accountant	37
Senior Facilities Maintenance Worker	23
Senior Human Resources Analyst	42
Senior Information Technology Specialist	52
Senior Mental Health Specialist	26
TCG Gardener	15
WET Supervisor	46

AGENDA REPORT

DATE: **December 18, 2024**

TO: **Governing Board of Tri-City Mental Health Authority**
Ontson Placide, Executive Director

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

SUBJECT: **Review of the Issuance of the Audited Financial Statements for Fiscal Year ended June 30, 2024**

Summary

Nigro & Nigro, PC, has completed an audit of Tri-City Mental Health Authority's financial statements for the Fiscal Year ended June 30, 2024. As indicated on page 1 of the Independent Auditor's Report, the accompanying financial statements are presented fairly in all material respects. The final issued report is enclosed herein for your review.

Fiscal Impact:

None.

Recommendation

Staff asks the Governing Board to accept and file the final issued Audited Financial Statements for Fiscal Year ended June 30, 2024.

Attachments

Attachment 7-A: Audited Financial Statements for Fiscal Year ended June 30, 2024.

Attachment 7-B: AU 260 Letter to the Governing Board

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED

JUNE 30, 2024

ATTACHMENT 7-A

TRI-CITY MENTAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tri-City Mental Health Authority
Pomona, California

Opinion

We have audited the accompanying financial statements of the Tri-City Mental Health Authority (Authority), which comprise the statement of net position as of June 30, 2024, and related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and schedule of pension contributions 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 separate report dated November 15, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the Authority's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
November 15, 2024

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024

The following management's discussion and analysis of the Tri-City Mental Health Authority ("Tri-City"), a Municipal Joint Powers Authority ("JPA"), financial statements present a narrative overview and analysis of Tri-City's financial activities for the fiscal year ended June 30, 2024 along with comparative information for fiscal year ended 2023.

BACKGROUND

General

Tri-City Mental Health Authority was formed on June 21, 1960 and established through a Joint Powers Authority Agreement between the Cities of Pomona, Claremont and La Verne pursuant to the provisions of the Joint Exercise of Powers Act, Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Section 6500, et seq. relating to the joint exercise of powers common to public agencies, and the provisions of the Bronzan-McCorquodale Act/Short-Doyle Act, Part 2, Section 5600, et seq., of the Welfare and Institutions Code (WIC) of the State of California, to deliver mental health services to the residents of the three Cities. This action was taken out of a desire on the part of officials from the three Cities to provide the highest quality services for local residents. For approximately sixty years, Tri-City has cared for and served local children, youth, adults and older adults.

Pursuant to the Joint Powers Authority Agreement, Tri-City is a public agency governed by a Governing Board ("Board) composed of seven members. The Governing Board has the powers common to public agencies as enumerated in the Joint Exercise of Powers Act, and the authority deemed necessary and required for the operation and maintenance of Tri-City to serve those individuals residing in the three Cities.

As the Mental Health Authority, Tri-City is limited to and responsible only for providing outpatient speciality mental health services to residents of the cities of LaVerne, Pomona, and Claremont. Tri-City is not a Mental Health Plan (MHP) and therefore not bound by the MHP provisions of Title 9 CCR. However, Tri-City is one of two entities that are not considered to be MHPs that receive Realignment Revenues from the State of California and also directly receive Mental Health Services Act (MHSA) funds which are used in its MHSA program, which is separate and apart from the MHSA program of Los Angeles County. Because Tri-City has not been reflected in waivers between the State of California and the federal government, namely Centers for Medicaid and Medicare Services (CMS), and to be consistent with 42 CFR 438.60, the State has required Tri-City to contract with Los Angeles County through a Legal Entity Agreement so that the State may pay State General Funds and Federal Financial Participation funds relating to Tri-City's Non-EPSDT (i.e. Adult and Expanded Medi-Cal) and EPSDT (Early and Periodic Screening, Diagnostic and Treatment) services to an MHP, in this case Los Angeles County, who then passes through those funds to Tri-City. This agreement provides Tri-City the mechanism to drawdown federal and state Medi-Cal funding, in particular EPSDT funding.

Since Tri-City's formation to the current period, Tri-City has provided mental health care services for the residents of Pomona, Claremont and La Verne. These services are provided to all age groups including children (0-15), transition age youth (16-25), adults (26-59) and older adults (60+), and in most cases the consumers are either eligible under the Medi-Cal programs or are indigent. Tri-City Mental Health Authority is continually developing its operations and system of care for the residents of the three cities. This includes the continuation of Tri-City's outpatient clinics and the implementation of any new programs approved through the Mental Health Service Act (MHSA).

Tri-City's outpatient clinics located in Pomona provided services to approximately 2,960 unduplicated clients during the past fiscal year (2023-24), which include high intensity mental health services through Tri-City's Full Service Partnership (FSP) MHSA program. Through the efforts to provide a continuum of care and in order to meet the needs of Tri-City's residents, even during the COVID-19 crisis, the clinical teams continually implement new groups available to the community both at the outpatient clinics and at the Wellness Center and in the past increased the hours of clinic operations to include later appointment hours for children and their families. Currently Tri-City continues to offer a wide range of flexibilities including video and telephone appointments.

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

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

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

In November 2004, California voters approved Ballot Proposition 63 and the Mental Health Services Act (MHSA) became State law effective January 1, 2005. The MHSA addresses a broad continuum of prevention, early intervention and service needs, as well as new innovative programs to treat mental illness. In addition MHSA provides funding for necessary infrastructure, technology, and training elements that will effectively support this system, with the purpose of promoting recovery for individuals with serious mental illness. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million. Tri-City relies on MHSA funds to provide an array of mental health services approved under its MHSA programs. As further discussed below in this document, State MHSA funds can fluctuate based on new events and economic pressures not currently known, however as a result of various events including the previous impacts of COVID-19, actual and estimated impacts have been identified and further discussed below.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

- *Cash flows from operating activities* include transactions and events reported as components of the operating income in the Statements of Revenues, Expenses, and Changes in Net Position.

- *Cash flows from non-capital financing activitie*s include proceeds from Realignment, funds received from the State of California for the implementation and provision of services as approved under the Mental Health Services Act, and contributions from member cities.

- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt and the acquisition and construction of capital assets.

- *Cash flows from investing activities* represent proceeds from the receipt of interest.

The following table shows the net position as of June 30, 2024, and 2023:

Statements of Net Position

	2024	2023
Assets		
Current Assets	$ 61,277,657	$ 51,845,422
Capital Assets, Net	8,099,176	8,447,175
Note Receivable	2,800,000	2,800,000
Other Assets	157,002	307,240
Total Assets	72,333,835	63,399,837
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	6,257,996	5,749,104
Total Deferred Outflows of Resources	6,257,996	5,749,104
Liabilities		
Current Liabilities	11,356,341	13,048,334
Noncurrent Liabilities (excluding Net Pension Liability)	1,785,230	2,104,997
Net Pension Liability	9,745,737	8,262,600
Total Liabilities	22,887,308	23,415,931
Deferred Inflows of Resources		
MHSA Revenues Restricted for Future Period	13,188,357	8,349,490
Deferred Inflows Related to Pensions	156,688	237,328
Total Deferred Inflows of Resources	13,345,045	8,586,818
Net Position		
Net Investment in Capital Assets	7,030,805	6,770,797
Restricted for MHSA Programs	26,544,524	22,798,801
Unrestricted	8,784,149	7,576,594
Total Net Position	$ 42,359,478	$ 37,146,192

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

  - *Comparison of June 30, 2024 to June 30, 2023*. At June 30, 2024, Tri-City reflected an increase in total assets of approximately $8.9 million. The most significant amount attributing to the increase in total assets includes the increase in cash. Total cash and investments at June 30, 2024 was approximately $47.8 million reflecting a net increase of approximately $8.7 million from the balance at June 30, 2023 of $39.1 million. The most significant reasons attributing to the overall increase in cash is due to a increase in the collection of MHSA Funds by the state. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and during fiscal year 2022-23, CBHDA had announced a projected decrease to these revenues based on their most recent data for fiscal year 2022-23 and later also announced a significant one-time adjustment resulting in a significant influx of MHSA funding for fiscal year 2024. Additionally, during early fiscal year 2023, the State of California announced the extension of tax filing as a result of extreme weather which directly impacted the collection of MHSA funds and essentially deferring the receipt of cash receipts until the subsequent fiscal year (2024).

The net total increase of approximately 5.7% in the accounts receivable balances resulted from an increase to Medi-Cal receivables by approximately $2.3 million offset by a net decrease to realignment receivables by approximately $1.3 million as noted at Note 4. Realignment receivable was down by approximately $1.3 million as a result of growth in state vehicle license fees and sales taxes in the prior year and collected subsequent to year end that was not experienced in the current year. Realignment revenue was also down by approximately $1.9 million from prior year. The Medi-Cal receivables balance increased by approximately $2.3 million primarily from the increase in earned revenue through the provision of services. Medi-Cal revenue increased by approximately $2.3 million and the increase in the receivable is due to timing of the payments. In addition, the noted decrease in SB 90 receivables was as a result of final payment of these receivables experienced in early fiscal 2023-24.

- **Deferred Outflows of Resources**

  - *Comparison of June 30, 2024 to June 30, 2023.* 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 $6,257,996 as Deferred Outflows of Resources at June 30, 2024 which reflects an increase of approximately $509 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 7B).

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

  - *Comparison of June 30, 2024 to June 30, 2023*. Total liabilities decreased by approximately $528 thousand from $23.4 million at June 30, 2023 to $22.9 million at June 30, 2024.

    This total net change of approximately $528 thousand is made up several changes which include decreases to accrued payroll liabilities, lease liabilities and the SBITA liabilities and increases to accounts payable, estimated third party payor settlements, and the net pension liability. The most significant increase to liabilities was due to the change in net pension liability (as more fully described at Note 7B of the financial statements), which experienced an increase of approximately $1.5 million in fiscal year ending 2024. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2024 is $9,745,737. The net increase to this liability from fiscal 2023, primarily was as a result of differences between projected and actual investment earning and changes in employer's proportion. Additionally, the changes also includes net increases and decreases in the changes of assumptions, changes in employer's proportion, differences between projected and actual investment earnings, projected and actual experience, and differences between employer's contributions and proportionate share of contributions.

The accrued payroll balance of $356 thousand at June 30, 2024 experienced a significant decrease by approximately $3 million as compared to the balance of $3.3 million at June 30, 2023. The decrease in the liability reflects an accrual of salaries and wages in the prior year as a direct result of the outcome of the comprehensive classification and compensation study which was completed during fiscal year 2022-23. The study while mostly completed during fiscal year 2022-23, was not fully processed as of June 30, 2023 and therefore a liability was recorded at year end and then subsequently paid during fiscal year 2023-24. The non-current lease liability experienced a decrease of approximately $358 thousand as a result of payments made during fiscal 2024. The noted zero balance of the non-current portion of the lease results from this lease not yet renewed. The lease is set to expire in June of 2025.

The change in total liabilities also included the recognition of a new liability as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* in the prior year. This new accounting pronouncement (more fully explained at Note 2Q and Note 9 to the financial statements) required the accounting for the related assets and liabilities associated with these IT subscription arrangements. The balance of this liability at June 30, 2024 is $401 thousand, a decrease of approximately $265 thousand as a result of the reduction of payments made during fiscal year 2024.

The Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) experienced a change from the prior year as a result of funds received that are dedicated to the MHSA CSS and INN Plans however not yet programmed. As noted at June 30, 2024 and at June 30, 2023, noncurrent unearned MHSA revenues were approximately $1.4 million and $1.1 million, respectively. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2024 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.

Lastly, the second largest liability in the amount of $6,875,222 for Estimated Third Party Payor Settlements increased by approximately $551 thousand from the prior year's amount of $6,324,285 as a result of noted increases in amounts billed during fiscal year 2023-24. As more fully described at Note 6, this liability represents a reserve (approximately 8.3%) 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. With the implementation of CalAIM, cost report settlements will no longer be required however, the increase to this liability is primarily due to payment on interim cost report settlements from prior fiscal years.

- **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, 2024 to June 30, 2023*. At June 30, 2024 and June 30, 2023 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of $13.2 million and $8.3 million, respectively. The increase of approximately $4.8 million was due to an overall increase of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2025. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of $1 million and as mentioned previously, during fiscal year 2023, a decrease in MHSA revenues was projected and announced by the State of California as a result of tax filing delay resulting from extreme weather in California which then subsequently increased cash receipts during 2024 that were classified as deferred. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2024 and 2023 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 7B, 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 $156,688 at June 30, 2024 and $237,328 at June 30, 2023 as Deferred Inflow of Resources, net of applicable amortization. The net decrease of approximately $81 thousand from fiscal 2023 to 2024 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, 2024*. Tri-City's net position at June 30, 2024 was approximately $42.4 million, which is the result of total assets of $72.3 million and total deferred outflow of resources of $6.3 million less total liabilities and deferred inflow of resources of $22.9 million and $13.3 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately $7 million (capital assets less the lease and SBITA liabilities), Net Position Restricted for MHSA Programs of approximately $26.5 million, and Unrestricted Net Position of approximately $8.8 million. The increase in Net Investment in Capital Assets of approximately $14 thousand was primarily due to the purchase computer equipment and improvements made to the community garden offset by the annual depreciation in addition to an increase to building improvements as a result of a capital project to upgrade the electrical panels. Additionally, as a result of the implementation of GASB Statement No. 96 in the prior year (more fully described at Note 2Q and Note 9) assets related to the SBITA have been recognized and resulting in an addition of capital assets in the amount of $1,242,305. The increase of $2.5 million in Net Position Restricted for MHSA Programs, as previously noted, is primarily due to an increase in MHSA funding recognized into revenue which was unspent as of the end of the fiscal year. The Unrestricted Net Position balance increased by approximately $1.2 million, primarily as a result of the increase to Med-Cal revenue and a reduction in accrued payroll in the previous year. Additionally, during fiscal year 2022-23, Tri-City received an increase in Realignment revenue of approximately $660 thousand.

The following table shows the change in net position during the fiscal years ended June 30, 2024, and 2023:

Statements of Revenues, Expenses and Changes in Net Position

	2024	2023
Operating Revenues:		
Medi-Cal - Federal Financial Portion	$ 10,951,852	$ 10,051,519
Medi-Cal - State EPSDT	3,473,105	2,100,605
Other Operating Revenue	63,139	71,480
Total Operating Revenue	14,488,096	12,223,604
Operating Expenses:		
Salaries, wages and benefits	25,528,874	26,994,901
Facility and equipment operating costs	1,555,447	1,679,399
Client lodging, transportation, and supply expense	607,325	575,951
Depreciation and Amortization	1,213,344	1,199,875
Other operating expense	3,216,565	2,611,068
Total Operating Expenses	32,121,555	33,061,194
Operating Loss	(17,633,459)	(20,837,590)
Non Operating Revenues (Expenses), Net		
Realignment	3,856,630	5,767,101
MHSA Funding	15,539,344	16,352,860
Other Grants	1,225,077	601,305
Rental revenue	76,428	75,340
Measure H	-	100
Contributions from member cities	70,236	70,236
Investment earnings (loss)	2,144,953	1,051,894
Interest expense	(65,923)	(54,976)
Total Non Operating Revenues (Expenses)	22,846,745	23,863,860
Income Before Special Items	5,213,286	3,026,270
Special Items:		
City of Pomona HUD Loan		
forgivness of debt	-	29,435
SB 90 Claims	-	241,378
Total Special Items	-	270,813
Change in Net Position	5,213,286	3,297,083
Net Position, Beginning of Year	37,146,192	33,849,109
Net Position, End of Year	$ 42,359,478	$ 37,146,192

Fiscal Year 2024 to 2023 Comparisons

- **Operating Revenues** — Operating revenues increased by approximately $2.3 million. This increase is primarily due to a net increase in Medi-Cal revenues by approximately $2.3 million generated during the fiscal year, net of provision for doubtful accounts. Medi-Cal revenue traditionally fluctuated from year to year based on actual units of service provided and reimbursable costs which drove the reimbursable rates received through LA DMH. As previously noted, Cal-AIM became effective on July 1, 2023 and the rates at which Tri-City is reimbursed for services provided are now new and set by the State. Cal-AIM's payment reform aimed to restructure payment from a cost reimbursement basis to a fee for service model. The noted increase in overall Medi-Cal revenue was a result from both an increase in services provided and the mixture of the various new rates.

- **Operating Expenses** — Total operating expenses decreased by approximately $1 million (2.8%) in fiscal 2024 as compared to fiscal 2023. This decrease in salaries and benefits of approximately $1.5 million was mainly due to the one-time increase in salaries and benefits costs in the prior year related to the accrual of salaries after completion of the compensation study. Additionally, salaries and wages were also impacted by an increase to the Net Pension Liability (further explained at Note 7). The comprehensive classification and compensation study was initiated during fiscal 2021. The study was finally completed during fiscal year 2023, however, during fiscal 2022 the first group of wage increases were implemented and the remaining groups were postponed until such time the study was completed with the understanding that the implementation would be retroactively applied back to March of 2022. At June 30, 2023, accrued salaries and wages included amounts to account for salaries due to staff as a result of the completion of the study and then subsequently paid during 2024.

  Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses. Total facilities and equipment expenses experienced a decrease of approximately $58 thousand across various cost centers primarily a reduction of costs incurred in the prior year associated with Tri-City's unified communications systems. Client lodging costs include costs associated with an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of $396 thousand. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses and the most significant increases in this category include increases in attorney fees and liability insurance due to market conditions.

- **Operating Loss** — Operating losses do not include non-operating revenues such as Realignment funding or MHSA funding, which are two of Tri-City's major sources of funding (see Note 2B for further discussion). These funds are included in non-operating revenues as discussed below. Therefore, the financial statement presentation reflects operating losses of approximately $17.6 million in fiscal 2024 compared to $20.8 million in 2023. The decrease in operating losses resulted primarily from the noted increase in salaries and benefits expense in the prior year as a direct result of the actuarial valuation that increased the Net Pension Liability as previously discussed. Additionally, and as noted above, a significant (one-time) increase to accrued payroll at June 30, 2023 was the direct result of the completion of the comprehensive classification and compensation study that also contributed to the increase in salaries expense. The study as noted above, was completed and processed subsequent to the year and paid to employees as of June 30, 2023.

- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately $22.8 million in fiscal 2024 and $23.8 million in fiscal 2023, a decrease of approximately $1 million. This change is mainly due to the decrease in MHSA funds recognized during fiscal 2023-24 by approximately $813 thousand and by a decrease in 1991 Realignment of approximately $1.9 million. 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 2023-24 MHSA update reflected a total decrease in required MHSA funds primarily as a result of an increase in interest income of approximately $1.1 million and the MHSSA grant of approximately $624 thousand. Additionally, a decrease in 1991 realignment was experienced through a combination of state vehicle license fees and sales tax.

- **Changes in Net Position —** Tri-City's change in net position as of June 30, 2024 increased by approximately $1.9 million compared to fiscal year 2023. The total change in net position of $5.2 million for fiscal 2024 relates to operating revenues and non-operating revenues exceeding operating expenses. A net total increase to net position was experienced during fiscal year 2024 primarily as a result of an increase experienced in Medi-Cal revenue coupled with an overall decrease in operating expenses. The decrease in operating expenses was primarily as a result an overall descrease in salaries and wages despite the increase in the net pension liability. The decrease in salaries expense was noted due to the one-time expense in the prior year subsequent to the completion of the comprehensive classification and compensation study described above. Also 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. The change in the pension liability at June 30, 2024 of $9,745,737 as compared to the prior year balance of $8,262,600 resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability. Additionally, and as noted above, a significant decrease to accrued payroll as of June 30, 2024 was the direct result of the completion of the comprehensive classification and compensation study in the prior year which resulted in a one-time accrual of payroll liabilities and expenses and have since been paid.

Capital Asset and Debt Administration

	Capital Assets (Net of Depreciation) 2024	2023
Land	$ 2,520,749	$ 2,520,749
Buildings and improvement	3,138,626	3,923,842
Construction in Progress	963,136	-
Furniture and equipment	408,291	326,206
Right to Use - Building Leases	357,977	715,948
Right to Use - SBITA	710,397	960,430
Total	**$ 8,099,176**	**$ 8,447,175**

Tri-City's investment in capital assets as of June 30, 2024 and June 30, 2023 totaled approximately $8.1 million and $8.4 million, respectively. This investment in capital assets includes land, buildings and improvements, leasehold improvements, furniture and equipment and during fiscal 2022 Tri-City began including intangible assets as a result of implementing GASB 87. As previously noted above and as a result of implementing GASB

87, existing leases previously identified as operating leases were required to be identified as lease liabilities on the Statement of Net Position with corresponding intangible assets equal to the lease liability, net of amortization. As part of the requirement of the GASB, this change was recorded retroactively. Additionally, and as more fully described at Note 2Q and Note 9, GASB 96 was implemented in fiscal year 2023 which included the recognition of assets related to IT subscription arrangements. Aside from the implementation of GASB 87 and GASB 96, the most significant changes that occurred with regard to capital assets in fiscal 2024, included the increase to building and improvements to the 2001 Garey Office remodeling project, the Therapeutic Community Garden project and the purchase of two vehicles. Depreciation & Amortization expense for year ending June 30, 2024 and June 30, 2023 was approximately $1.2 million and $1.2 million, respectively with the noted increase related to the implementation of GASB 87 and GASB 96. Additional information on Tri-City's capital assets can be found in Note 5 to the financial statements.

	Noncurrent Liabilities	
	2024	**2023**
Lease Liabilities	$ -	$ 357,977
SBITA	401,415	666,689
Net pension liability	9,745,737	8,262,600
Unearned MHSA revenues	1,383,815	1,080,331
Total	**$ 11,530,967**	**$ 10,367,597**

Noncurrent liabilities include the Net Pension Liability (further explained at Note 7B to the financial statements), the Unearned MHSA Revenues (further explained at Note 2M and Note 10 to the financial statements), and lease liabilities which, as described previously, were new to the Statement of Net Position in fiscal year 2022 after the implementation of GASB Statement No. 87. Additionally, during fiscal year 2023, GASB Statement No. 96 was implemented which resulted in the recognition of liabilities related to Subscription Based Information Technology Arrangements (SBITA). The implementation of this GASB Statement required the recognition of assets relating to the right to use subscription IT assets, in addition to the corresponding liability. Further details relating to GASB Statement No. 96 are included at Note 2Q and Note 9 to the financial statements.

The most significant events with regard to noncurrent liabilities during the fiscal year ending June 30, 2024 included the following:

<u>2024</u>

- The noncurrent portion of Lease Liabilities currently noted at zero at June 30, 2024 and $358 thousand at June 30, 2023 was new to the Statement of Net Position in the prior year as a result of the implementation of GASB 87 as further explained at Note 8. While the actual leases (for office space at the Royalty Building) are not considered new, the leases previously identified as operating leases met criteria under the new GASB statement which required the leases be recognized as a long-term liabilities and intangible assets on the Statement of Net Position. The implementation of GASB 87 occurred in fiscal 2022 which also required the recording of the liability. At June 30, 2024, the noncurrent portion is disclosed at a zero balance noting that the lease is set to expire at June 30, 2025 and since the lease has not yet been renewed and therefore a noncurrent portion is not yet applicable.
- During fiscal year 2023, the implementation of GASB Statement No. 96 S*ubscription-Based Information Technology Arrangements* (SBITA) was required which included the recognition of assets and liabilities related to SBITAs (further explained at Note 2Q and Note 9 to the financial statements). At June 30, 2024 the amount of SBITA liabilities was $401,415.
- Based on the CalPERS actuarial valuation, the net pension liability increased by approximately $1.5 million. Refer to Note 7B to the financial statements for further details.
- As further described at Note 2L, when MHSA funds are received they do not yet meet eligibility requirements and as such, are classified as Unearned Revenues on the Statement of Net Position as Noncurrent Liabilities until they are approved for programming. The net increase of approximately $304 thousand in Unearned MHSA Revenues, represents funds received during fiscal year 2024 that have not yet been approved for programming.

Economic Factors

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

<u>MHSA</u> - The California Behavioral Health 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. Delays in tax filings as a result of extreme weather, delayed cash receipts expected in the prior fiscal year were received in the current fiscal year. For example, receipts of approximately $10.3 million were received in the month of August 2023, which represents nearly 90% of total receipts received in the current fiscal year 2023-24. According to the latest projections, fiscal year 2024-25 is expected to experience a decrease (or return to normal) in MHSA cash flows as compared to the amounts received in the current fiscal year 2023-24.

<u>1991 Realignment</u> - As mentioned above, CBHDA periodically provides updated information and estimates for 1991 Realignment. Tri-City's third largest source of revenue (1991 realignment) is funded through a combination of vehicle license fees and sales tax. Absent change to legislation, Tri-City is guaranteed a base amount of 1991 realignment annually, however growth is not guaranteed. During fiscal year 2023-24, Tri-City did receive its guaranteed base along with an additional $201 thousand in growth which is a decrease of approximately $1.9 million from the prior year. According to CBHDA and consistent with the Governor's budget, Tri-City expects to receive its minimum base of approximately $3.7 million annually, in addition to continuing to receive some growth for the next couple of years however not as significant as in fiscal years 2022 and 2023.

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

Other Historical Factors

On January 1, 2014, the Affordable Care Act became effective, including the expansion of Medicaid (Medi-Cal) services to single adults ages 19 to 64. Since then individuals qualifying for expanded Medi-Cal in the Tri-City area are either current Tri-City clients receiving mental health services from Tri-City as unfunded clients or are seeking services from Tri-City as a new client. Tri-City continues to be a major partner with its community and LA County Department of Mental Health (LA DMH) to ensure that all Tri-City residents that become eligible under expanded Medi-Cal (MCE) will be served. The cost of services provided by Tri-City for residents qualifying under MCE were to be reimbursed at 100% through Federal Financial Participation (FFP) for the first three calendar years (2014 thru 2016). As of January 1, 2017, the reimbursement was reduced to 95%, then to 94% as of January 1, 2018, and to 93% as of January 1, 2019. Beginning January 1, 2020 and thereafter, the rate was reduced to 90%. In order to ensure proper reimbursement, Tri-City's contract with LA DMH includes language regarding MCE and Tri-City's authority to bill for such services through LA DMH.

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

Liquidity

At June 30, 2024, Tri-City had approximately $47.8 million in cash. Of this amount, approximately $36.9 million is cash that is immediately available but restricted only for the implementation and provision of services under approved MHSA programs, $10.9 million is cash available for Tri-City's outpatient clinic operations and of these amounts approximately $1.4 million (which is reflected as unearned revenues) is restricted for future MHSA programs developed and recommended through the MHSA process and approved by Tri-City's Governing Board.

Request for Information

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Current Assets:	
Cash and investments *(Note 3)*	$ 10,858,683
Restricted cash and investments for MHSA programs *(Note 3)*	36,948,932
Accounts receivable, net (*Note 4A*)	13,470,042
Total Current Assets	61,277,657
Noncurrent Assets:	
Land	2,520,749
Capital assets being depreciated, net (*Note 5*)	5,578,427
Note receivable *(Note 4B)*	2,800,000
Prepaid items *(Note 2E)*	157,002
Total Noncurrent Assets	11,056,178
Total Assets	72,333,835
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions *(Note 7B)*	6,257,996
LIABILITIES	
Current Liabilities:	
Accounts payable	1,060,378
Accrued payroll	355,856
Compensated absences	1,901,205
Other accrued liability	496,724
Estimated third party payor settlements *(Note 6)*	6,875,222
Current portion of lease liabilities *(Note 8)*	357,977
Current portion of SBITA liabilities *(Note 9)*	308,979
Total Current Liabilities	11,356,341
Noncurrent Liabilities:	
SBITA liabilities (Note 9)	401,415
Net pension liability (*Note 7B*)	9,745,737
Unearned MHSA revenues *(Note 10)*	1,383,815
Total Noncurrent Liabilities	11,530,967
Total Liabilities	22,887,308
DEFERRED INFLOWS OF RESOURCES:	
MHSA revenues restricted for future period *(Note 10)*	13,188,357
Deferred inflows related to pensions *(Note 7B)*	156,688
Total Deferred Inflows of Resources	13,345,045
NET POSITION	
Net investment in capital assets (*Note 12*)	7,030,805
Restricted for MHSA programs *(Note 11)*	26,544,524
Unrestricted	8,784,149
Total Net Position	$ 42,359,478

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenues:		
Medi-Cal, net of provision for disallowances and bad debts	$	14,424,957
Medicare		12,277
Contracts		17,500
Patient fees and insurance		1,061
Other revenue		32,301
Total Operating Revenues		14,488,096
Operating Expenses:		
Salaries, wages, and benefits		25,528,874
Facility and equipment operating costs		1,555,447
Client lodging, transportation, and supplies		607,325
Depreciation and ammortization		1,213,344
Other operating expense(s)		3,216,565
Total operating expense		32,121,555
Operating income (loss)		(17,633,459)
Non-Operating Revenues (Expenses):		
Realignment		3,856,630
MHSA funding		15,539,344
Other grants		1,225,077
Rental revenue		76,428
Contributions from member cities		70,236
Investment earnings		2,144,953
Interest expense		(65,923)
Total Non-Operating Revenues (Expenses)		22,846,745
Change in Net Position		5,213,286
Net Position at Beginning of Year		37,146,192
Net Position at End of Year	$	42,359,478

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from and on behalf of patients	$ 12,995,115
Payments to suppliers and contractors	(4,745,593)
Payments to employees for salaries and benefits	(27,376,949)
Net Cash Used by Operating Activities	(19,127,427)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Funding from Mental Health Services Act	20,681,695
Realignment	5,180,541
Contributions from member cities	70,236
Other Grants	1,301,505
Net Cash Provided by Noncapital Financing Activities	27,233,977
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(865,345)
Principal payments on leases liabilities	(357,971)
Principal payments on SBITA liabilities	(250,036)
Interest paid	(65,923)
Net Cash Used by Capital and Related Financing Activities	(1,539,275)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	2,144,953
Net Cash Provided by Investing Activities	2,144,953
Net Increase (Decrease) in Cash and Cash Equivalents	8,712,228
Cash and Cash Equivalents at Beginning of Year	39,095,387
Cash and Cash Equivalents at End of Year	$ 47,807,615
Reconciliation of Cash to Statement of Net Position:	
Cash and investments	10,858,683
Restricted cash and investments	36,948,932
Total cash and Investments	$ 47,807,615

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

TRI-CITY MENTAL HEALTH AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Reconciliation of Operating Income (Loss) from Operations to Net Cash Used by Operating Activities:	
Operating Income (Loss)	$ (17,633,459)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation and ammortization	1,213,344
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, net of allowance	(2,043,918)
(Increase) decrease in deposits	150,238
Increase (decrease) in accounts payable	445,457
Increase (decrease) in accrued payroll liabilities	(2,971,348)
Increase (decrease) in compensated absences	229,668
Increase (decrease) in other accrued liabilities	38,049
Increase (decrease) in estimate for third party payor settlements	550,937
Increase (decrease) in deferred inflows related to pensions	(80,640)
(Increase) decrease in deferred outflows related to pensions	(508,892)
Increase (decrease) in net pension liability	1,483,137
Net Cash Used by Operating Activities	$ (19,127,427)

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

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Basis of Accounting

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Realignment funds received from the State are required to be used by the Agency to provide mental health services, however, the Realignment funds received are allocated by the State based on State sales tax receipts. Therefore, the Realignment funds are not directly tied to billing for actual services provided and thus included as a non-operating revenue item. In addition, MHSA funds, as more fully described at *Notes 10 and 11,* are also reflected as non-operating revenues because they are "Non-Exchange Transactions".

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, Tri-City considers cash and cash equivalents as short-term highly liquid investments that are both readily convertible to known amounts of cash. At June 30, 2024, Tri-City's cash and cash equivalents included pooled cash balances and investments in the Local Agency Investment Fund (LAIF).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Capital Assets

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

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

E. Prepaid Items

Prepaid Items include prepaid expense, security, rental and utility deposits that have been paid to third parties. At June 30, 2024, Tri-City had prepaid deposits outstanding in the amounts of $157,002.

F. Compensated Absences and Sick Leave

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

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

G. Restricted Resources

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

H. Operating Revenues and Expenses

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Nominal Fee Provider

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

J. Medi-Cal Revenue

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

K. Realignment Revenue

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

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

L. Mental Health Services Act (MHSA) Revenue

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

M. Contributions

Revenues from contributions are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for specific operating purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Every year, the Cities of Pomona, Claremont, and La Verne each contribute operating funds to Tri-City to meet matching requirements under Realignment. These entities are considered related parties as they are member agencies *(Note 15).*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures at the date of the financial statements. While management believes that these estimates are adequate as of June 30, 2024, it is reasonably possible that actual results could differ from those estimates. Certain estimates relate to accounts receivable *(Note 4)*, deferred outflows and inflows of resources *(Note 7B)* and estimated third party payor settlements *(Note 6).*

O. Net Position

Net position of Tri-City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase of those assets. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by any liabilities payable from restricted assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The Statements of Net Position report $26,544,524 of restricted net position, at June 30, 2024, which include MHSA funds that are restricted for use in MHSA programs. Net Investment in Capital Assets of $7,030,805 is equal to Tri-City's capital assets at June 30, 2024 (Note 5), net of the related lease liabilities and SBITA liabilities. The remaining Unrestricted Net Position at June 30, 2024 of $8,784,149. The unrestricted net position is available for the general operations of Tri-City.

P. Leases

Lease liabilities are recorded in accordance with GASB 87 which represents the financial obligation for the payments required by Tri-City, discounted to present value. GASB 87 also requires the recognition of an intangible right-to-use lease asset in conjunction with the liability. As of June 30, 2024 Tri-City has recognized a lease liability in the amount of $357,977. As of June 30, 2024 Tri-City has recognized an right-to-use lease asset in the amount of $1,753,343 and accumulated amortization in the amount of $1,395,366. Amortization expense is recognized on a straight-line basis over the life to the associated agreement.

Q. SBITA

Right to use subscription IT assets are recognized at the subscription commencement date and represent Tri-City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight line method. The amortization period varies from 3 to 5 years. Subscription Liabilities represent Tri-City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by Tri-City. See further details at Note 8.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Deferred Outflows/Inflows of Resources

In addition to assets reported on the Statements of Net Position, Tri-City will sometimes report a separate section for deferred outflows of resources. This separate financial statement caption represents a consumption of net position that applies to a future period and so, will not be recognized as an outflow of resources (expenditure) until then. At June 30, 2024 Tri-City reported $6,257,996 in deferred outflows of resources related to pensions as further explained at Note 7B.

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 10, for additional details relating to MHSA revenues restricted for future period and unearned MHSA revenues. Additionally, Tri-City reported $156,688 at June 30, 2024 respectively in deferred inflows of resources related to pensions as further explained at Note 7B.

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 – CASH AND INVESTMENTS

As of June 30, 2024, cash and investments in the Statements of Net Position consisted of the following:

Cash on hand	$ 2,030
Deposits with financial institutions	6,934,770
Deposit with Local Agency Investment Fund (LAIF)	40,870,815
Total Cash and Investments	**$47,807,615**

Investments

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As noted above, as of June 30, 2024 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, 2024, $40,870,815 of cash and investments were placed in Tri-City's LAIF account. LAIF is not rated.

NOTE 3 - 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, 2024, 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 $6,934,770, 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 $36,948,932 at June 30, 2024. Restricted cash primarily 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. Restricted cash also represents $380,662 of cash received for grant programs that has yet to be spent.

NOTE 3 – 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, 2024, 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, 2024 are uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

NOTE 4 – RECEIVABLES

A - Accounts Receivable

Accounts receivable at June 30, 2024, consisted of the following:

Accounts Receivable:	
Medi-Cal	$ 12,478,961
Medicare	1,073
Realignment	609,225
Grants and Contracts	700,361
Interest & Other Receivables	709,288
Total Accounts Receivable	$ 14,498,908
Less: Allowance for Doubtful Accounts	(1,028,866)
Accounts Receivable, Net	**$13,470,042**

Services delivered to Medi-Cal eligible clients are reimbursed to Tri-City through a contract with LA DMH. The outstanding balance for Medi-Cal services was $12,478,961 at June 30, 2024 and represent services provided during fiscal year 2024 and for prior years. In accordance with Tri-City's original contracts with the Los Angeles County Department of Mental Health (LAC DMH), a percentage of the Medi-Cal FFP and State EPSDT reimbursement payments received by LAC DMH for mental health services provided by Tri-City to Medi-Cal eligible clients were to be withheld by LAC DMH pending preliminary settlement or final audit of the cost reports filed for the contract periods. Commencing with fiscal 2014-15, this withholding was eliminated in the contract with LA DMH. The allowance for doubtful accounts is estimated based on withholding percentages previously used by LAC DMH, and will be adjusted upon settlement of the cost reports. The provision expensed in fiscal 2024 for doubtful accounts was approximately $738,596 thousand.

B - Note Receivable

In March of 2021 Resolution #578 approved a Loan Agreement secured by a deed of trust on the property, a Regulatory Agreement, and Supportive Services Agreement with West Mission Housing Partners, LP for the development, construction, financing and operation of 10 units of affordable and permanent supportive housing in the amount of $2.8 million. The Note shall accrue simple interest at the rate of 3% per annum on outstanding principal. The Note is due 55 years after the completion of and issuance of a certificate of occupancy. As of June 30, 2024, Tri-City has recorded $252,000 of accrued interest receivables and interest income related to the note.

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

NOTE 5 – CAPITAL ASSETS

The following schedule summarizes capital asset activity for the year ended June 30, 2024:

	Beginning Balance July 1, 2023	Reclassification	Additions	Deletions	Ending Balance June 30, 2024
Capital Assets not being depreciated:					
Land	$ 2,520,749	$ -	$ -	$ -	$ 2,520,749
Capital Assets, being depreciated:					
Buildings and improvements	8,944,787	(439,250)	9,225	-	8,514,762
Construction in Progress	-	439,250	523,886	-	963,136
Leasehold improvements	105,878	-	-	-	105,878
Furniture and equipment	2,486,592	-	276,072	-	2,762,664
Right to use - Building Leases (*Note 10*)	1,753,343	-	-	-	1,753,343
SBITA (Note 11)	1,242,305	-	56,162	-	1,298,467
Total Capital Assets being depreciated	14,532,905	-	865,345	-	15,398,250
Less accumulated depreciation for:					
Buildings and improvements	(5,020,945)	-	(355,191)	-	(5,376,136)
Leasehold improvements	(105,878)	-	-	-	(105,878)
Furniture and equipment	(2,160,386)	-	(193,987)	-	(2,354,373)
Right to use - Building Leases (*Note 10*)	(1,037,395)	-	(357,971)	-	(1,395,366)
SBITA (Note 11)	(281,875)	-	(306,195)	-	(588,070)
Total Accumulated Depreciation	(8,606,479)	-	(1,213,344)	-	(9,819,823)
Total Capital Assets being depreciated	5,926,426	-	(347,999)	-	5,578,427
Capital Assets, Net	**$ 8,447,175**	**$ -**	**$ (347,999)**	**$ -**	**$ 8,099,176**

NOTE 6 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE

Reimbursements and revenue recorded for services provided under the Medi-Cal program through the contract with LA DMH are subject to audit and retroactive adjustment through review of annual cost reports. Management's estimates for potential interim settlements and audit adjustments are recorded as reserves during the year the services are provided and reflected as "Estimated Third Party Payor Settlements." Adjustments for actual interim settlement letters issued and final audit adjustments are recorded in the year the amounts are finalized and reflected as "Cost Report Payable". At June 30, 2024, no outstanding cost report payables exist.

Estimated Third Party Payor Settlements

Tri-City's Estimated Third Party Payor Settlements are included in current liabilities. Estimated Third Party Payor Settlements reflected in current liabilities is $6,875,222 at June 30, 2024. These amounts include estimated Medi-Cal settlements payable for the fiscal year ended 2005 and reserves on Medi-Cal revenues received for services provided under contract with LAC DMH from fiscal 2015 through fiscal 2024. The reserves for fiscal years 2015 through 2024 are estimated based on LAC DMH's past practice withholding percentages applied for each fiscal year. Since the cost reports for these years have either: 1) not been settled or reviewed by the State, 2) are subject to future audits, or 3) have been audited but audit appeals remain outstanding, the reserves for disallowances on the Medi-Cal payments received are reflected as a current liability. Once LAC DMH finalizes its cost report settlement with the State, Tri-City expects that the County will pass on the settlement to Tri-City at which time Tri-City would remove the reserve amount related to that fiscal year.

NOTE 7 – 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, 2024 was $3,341.

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

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

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

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

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

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

The rate plan provisions and benefits in effect at June 30, 2024 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%	7.75%
Required employer contribution rates	12.470%	7.680%

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

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

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

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Tri-City employees enrolled in the PERS are required to contribute the "employee" contribution of 7% for the Classic Tier and 7.75% 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, 2024, Tri-City's contributions to the Plan were $2,250,167, which includes Tri-City's required contributions for the unfunded liability of $424,450.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2024, Tri-City reported a liability for its proportionate share of the net pension liability of the Plan of $9,745,737.

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, 2024 is measured as of June 30, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2022 and 2023 is as a follows:

	Plan
Proportion - June 30, 2022	0.17658%
Proportion - June 30, 2023	0.19490%
Change in proportion- Increase (Decrease	**0.01832%**

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

At the year ended June 30, 2024, Tri-City recognized pension expense (credit) of $3,143,772 associated with the net pension liability. At June 30, 2024, Tri-City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources		
Tri-City contributions subsequent to measurement date	$	2,250,167
Changes of assumptions		588,394
Net difference between expected and actual earnings on pension plan investments		1,577,923
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions		257,782
Changes in employer's proportion		1,085,865
Differences between expected and actual experience		497,865
Total Deferred Outflows		**6,257,996**
Deferred Inflows of Resources		
Differences between expected and actual experience		(77,231)
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions		(79,457)
Total Deferred Inflows		**(156,688)**
Amounts Not Amortized		
Tri-City's contributions subsequent to measurement date		(2,250,167)
		-
Net Total Deferred Outflows and Inflows to be Amortized	**$**	**3,851,141**

The amount of $2,250,167 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, 2025. 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,		
2025	$	1,466,280
2026		960,410
2027		1,379,174
2028		45,277
Total	**$**	**3,851,141**

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Actuarial Assumptions – The total pension liability of the Plan in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions.

Balance Sheet Date:	June 30, 2024
Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.50%
Projected Salary Increase	Varies by entry age and services
Investment Rate of Return	6.90% (2)
Mortality Rates	Derived using CalPERS membership Data for all funds

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

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

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2021. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 1997 to 2021) 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 7 – 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, 2023 Measurement

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

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

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

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

NOTE 7 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

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

1% Decrease		5.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	16,214,021
Current Discount Rate		6.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	9,745,737
1% Increase		7.90%
Tri-City's Proportionate Share of the Net Pension Liability	$	4,421,784

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

NOTE 8 –LEASES

Office Space – Royalty Building

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

In March of 2019, Tri-City entered into a fourth new agreement for the rental of additional office space suites and simultaneously extending all three existing leases to the same terms which are due to expire on June 30, 2025. During fiscal year ended June 30, 2024, there were a total of five leases with monthly payments ranging from $2,466 to $13,476.

NOTE 8 – LEASES, continued

In accordance with GASB 87, the present value of future monthly lease payments at a discount rate of 2.5% has been calculated to determine the beginning value of the right-to-use asset and the associated liability as of July 1, 2020. The discount rate of 2.5% was determined to be appropriate, as it is the rate explicitly stated in the lease agreements by which rent will be increased annually over the life of the lease. Accordingly, Tri-City has recognized a right-to-use asset in the amount of $1,753,343 with associated accumulated amortization of $1,395,366 as of June 30, 2024. Tri-City also recognized $357,971 in principal payments, $50,569 in interest expense, and $105,756 in operating expense for common area maintenance in fiscal years ended June 30, 2024.

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

Years Ended June 30,	Principal Payments	Interest Payments	Total
2025	$ 357,977	$ 60,787	$ 418,764
	$ 357,977	$ 60,787	$ 418,764

NOTE 9 – SBITA LIABILITIES

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

In accordance with GASB 96, the present value of future subscription payments at a discount rate of 2.5% has been calculated to determine the beginning value of the right-to-use asset and the associated liability as of July 1, 2022. The discount rate of 2.5% was determined to be appropriate, as it is the rate explicitly stated in similar right-to-use agreements entered into by Tri-City. Accordingly, as of June 30, 2024, the value of the subscription liability was $710,394. The total amount of right to use subscription assets, and the related accumulated amortization on right to use subscription assets was $1,298,467 and $588,070, as of June 30, 2024, respectively.

A summary of the changes in subscription IT liabilities during the year ended June 30, 2024 is as follows:

	Balance Beginning	Additions	Deletions	Balance End of Year	Due Within One Year
Subscription IT liabilities	$ 960,430	$ 43,705	$ (293,741)	$ 710,394	$ 308,979
	$ 960,430	**$ 43,705**	**$ (293,741)**	**$ 710,394**	**$ 308,979**

Remaining principal and interest payments on subscriptions are as follows:

Years Ended June 30,	Principal Payments	Interest Payments	Total
2025	$ 308,979	$ 15,463	$ 324,442
2026	272,492	14,243	286,735
2027	128,923	7,527	136,450
			-
	$ 710,394	**$ 37,233**	**$ 747,627**

NOTE 10 –MHSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHSA REVENUES

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

Per the MHSA Statute, any funds allocated to a county/city which have not been spent for their authorized purpose within three years shall be reverted to the State to be deposited into the MHSA fund and made available for other counties in future years. Based on the most current information, including guidance from DHCS and the most recent State Budget Trailer Bill (AB 114), passed in 2017, Tri-City has determined no amounts are subject to reversion as of June 30, 2024.

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, 2024 MHSA Revenues Restricted for Future Period are $13,188,357.

NOTE 10 –MHSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHSA REVENUES, Continued

The following table reflects the activity in the Deferred Inflows of Resources-MHSA Revenues Restricted For Future Period and Unearned MHSA Revenue Accounts for the Community Services and Support (CSS) Plan, the Prevention and Early Intervention (PEI) Plan, the Innovations (INN) Plan, the Workforce Education and Training (WET) Plan, and the Capital Facilities & Technology (CFTN) Plan programs and unapproved plans during the fiscal year ended June 30, 2024:

	Balance Beginning of Year	Funding Received	Amounts Recognized as Non-Operating Revenue	Reclassification of Previously Unapproved Programs	Balance End of Year
June 30, 2024					
CSS	$ 6,950,248	$ 15,712,254	$ (11,610,705)	$ 100,285	$ 11,152,082
PEI	806,671	3,935,687	(3,336,068)	-	1,406,290
INN	592,571	1,033,755	(592,572)	(403,769)	629,985
WET	-	-	-	-	-
CFTN	-	-	-	-	-
MHSA Revenues Restricted for Future Period	**$ 8,349,490**	**$ 20,681,696**	**$ (15,539,345)**	**$ (303,484)**	**$ 13,188,357**
Unearned MHSA Revenues	**$ 1,080,331**	**$ -**	**$ -**	**$ 303,484**	**$ 1,383,815**

NOTE 11 – 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, 2024 by specific MHSA Program Plans.

Restricted Net Position for MHSA Programs		
Community Services and Supports	*	$ 15,482,983
Prevention and Early Intervention		2,741,995
Innovation		1,262,427
Workforce, Education and Training		826,268
Capital Facilities and Technology Needs		4,030,852
Prudent Reserves		2,199,999
Total Restricted Net Position for MHSA Programs		**$26,544,524**

* 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 4B for further details. As such, the total amount of $26,544,524 in Restricted Net Position in MHSA programs includes the $2.8 million Note Receivable.

NOTE 12 – Net Investment in Capital Assets

Net Investment in capital assets consisted of the following:

Description	June 30, 2024
Net investment in capital assets:	
Capital assets - not being depreciated	2,520,749
Capital assets - being depreciated, net	5,578,427
Lease liabilities - current portion	(357,977)
Lease liabilities - long-term portion	-
SBITA liabilities - current portion	(308,979)
SBITA liabilities - long-term portion	(401,415)
Total net investment in capital assets	**7,030,805**

NOTE 13 – RISK MANAGEMENT

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

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

NOTE 14 – CONTRACT WITH LOS ANGELES DEPARTMENT OF MENTAL HEALTH

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

NOTE 15 – RELATED PARTY TRANSACTIONS

The Cities of Pomona, Claremont and La Verne, as member agencies, contributed funds in the amount of $70,236 in 2024 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. In July of 2018, the Governing Board authorized resolution No. 455, for Tri-City to enter into an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of $396 thousand for fiscal year ending June 30, 2024.

NOTE 16 – 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, 2024, 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.

Medicaid/MHSA Programs & Grants

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

Realignment and MHSA Funding

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

NOTE 16 – COMMITMENTS AND CONTINGENCIES, Continued

Excluded Leases – Short-Term Leases and De Minimis Leases

Tri-City does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of twelve months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

NOTE 17 – SUBSEQUENT EVENTS

Tri-City has evaluated subsequent events through November 15, 2024, the date which the financial statements were available to be issued.

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*

Measurement Date	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	The pension plan's fiduciary net position as a percentage of the total pension liability
June 30, 2016	0.04370%	$ 3,781,246	$ 9,129,664	41.42%	74.06%
June 30, 2017	0.04780%	4,740,262	10,121,504	46.83%	73.31%
June 30, 2018	0.04834%	4,658,577	10,245,313	45.47%	77.69%
June 30, 2019	0.53310%	5,462,528	11,750,054	46.49%	77.73%
June 30, 2020	0.05814%	6,325,906	12,763,454	49.56%	77.71%
June 30, 2021	0.12127%	2,302,724	13,885,388	16.58%	88.30%
June 30, 2022	0.17658%	8,262,000	13,875,353	59.54%	78.19%
June 30, 2023	0.19490%	9,745,737	15,878,389	61.38%	77.97%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits

Changes in Assumptions:
From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:
There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:
There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:
There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:
There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:
The discount rate was reduced from 7.15% to 6.90%

From fiscal year June 30, 2023 to June 30, 2024:
There were no significant changes in assumptions.

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

Schedule of Contributions

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

Fiscal Year	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2017	$ 861,026	$ (861,026)	$ -	$ 10,121,504	8.51%
June 30, 2018	904,469	(904,469)	-	10,245,313	8.83%
June 30, 2019	1,134,877	(1,134,877)	-	11,750,054	9.66%
June 30, 2020	1,328,508	(1,328,508)	-	12,763,454	10.41%
June 30, 2021	1,586,047	(1,586,047)	-	13,885,388	11.42%
June 30, 2022	1,609,594	(1,609,594)	-	13,875,353	11.60%
June 30, 2023	1,877,761	(1,877,761)	-	15,878,389	11.83%
June 30, 2024	2,250,167	(2,250,167)	-	19,753,233	11.39%

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation	Inflation	Investment Rate of Return
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.65%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.75%	7.65%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.75%	7.65%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.75%	7.65%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.75%	7.65%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.75%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Market Value	2.75%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (3% @ 60), 52 years (2% @ 62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' 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*

Board of Directors
Tri-City Mental Health Authority
Pomona, California

We have audited, in accordance with the 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-City Mental Health Authority (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 15, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
November 15, 2024

TRI-CITY MENTAL HEALTH AUTHORITY

Report to the Board of Directors

For the Fiscal Year Ended
June 30, 2024

NIGRO & NIGRO PC

ATTACHMENT 7-B

TRI-CITY MENTAL HEALTH AUTHORITY
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For the Fiscal Year Ended June 30, 2024

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

Board of Directors
Tri-City Mental Health Authority
Pomona, California

We are pleased to present this report related to our audit of the financial statements of the Tri-City Mental Health Authority (Authority) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Authority.

Very truly yours,

Nigro & Nigro, PC

Murrieta, California
November 15, 2024

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area		Comments
Our Responsibilities with Regard to the Financial Statement Audit		Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 31, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit		An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices		**Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. **Adoption of, or Change in, Significant Accounting Polies or Their Application** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments		Audit adjustments are summarized in the attached **Summary of Adjusting Journal Entries**.
Uncorrected Misstatements		We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area		Comments
Discussions With Management		We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management		We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants		We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management		No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit		No significant difficulties were encountered in performing our audit.
Required Supplementary Information		We applied certain limited procedures to the: 1. Management's Discussion and Analysis 2. Budgetary Comparison – General Fund 3. Required Pension Plan Disclosures 4. Required OPEB Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Summary of Adjusting Journal Entries

None Noted

Tri-City Mental Health Authority
AGENDA REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Ontson Placide, Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Consideration of Resolution No. 767 Approving An Amendment to the MHSA Annual Update FY 2024-25 Authorizing the Use of Unspent Community Services and Supports (CSS) Funding to Support the Completion of the Claremont Gardens Senior Housing Project in the Amount Not to Exceed $3,000,000

Summary:

Staff recommends that the Governing Board authorize the Amendment to the MHSA Annual Update FY 2024-2025 which will allow the use of existing unspent CSS Funding to support the completion of the Claremont Gardens Senior Housing Project in an amount not to exceed $3,000,000.

Background:

On February 19, 2020, TCMHA Governing Board adopted Resolution No. 520 designating its No Place Like Home (NPLH) Non-Competitive Allocation Funds in the amount of $1,140,736 to develop a 15-unit construction/rehabilitation combined affordable housing and permanent supportive senior housing project, known as Claremont Gardens, on the property owned by Tri-City in the City of Claremont in partnership with the City of Claremont, Genesis LA Economic Growth Corporation, and Restore Neighborhoods, LA, Inc. (RNLA).

An Update to the Tri-City Mental Health Authority Fiscal Year 2024-25 MHSA Annual Update Pursuant To 9 C.C.R. § 3315(B) to include, the Claremont Gardens Senior Housing Project is being proposed. On Friday, November 8, 2024, Tri-City posted a draft plan amendment for a 30-day public comment period that ended on December 7, 2024. The document can be found on Tri-City's website as well as on all social media sites including Facebook, Instagram, and Twitter. In addition, this amendment was distributed to numerous locations including city halls, libraries, and community centers. All written and verbal comments received during this comment period would be reviewed by Tri-City staff and included in the final document, however no comments were received.

Tri-City Mental Health Authority proposes to update its 2024-25 MHSA Program Annual Update to utilize existing unspent CSS funding to support the completion of the Claremont Gardens Senior Housing Project at 956 W. Baseline Road, Claremont, California 91711 under the Mental Health Services Act (MHSA) Community Services and Supports (CSS) Plan in an amount not to exceed three million dollars ($3,000,000). Under the Mental Health Services Act, Counties may use General System Development funds under their CSS plan for costs associated with purchasing, renovating, or constructing of Project-Based Housing (9 C.C.R. § 3630.05). The proposed plan amendment will support the cost of the final renovation of this property. Should the plan be adopted a new Development and Disposition Agreement (DDA) will be brought to the Governing for consideration and adoption.

Fiscal Impact:

The amount not to exceed $3,000,000 would come from unspent CSS Funding.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 767 authorizing the Mid-Year Update to MHSA Annual Update FY 2024-2025 to allow the use of existing unspent CSS Funding to support the completion of the Claremont Gardens Senior Housing Project in an amount not to exceed $3,000,000.

Attachments

Attachment 8-A: Resolution No. 767 - Draft

Attachment 8-B: MHSA Annual Update FY 2024-25 Mid-Year Update

RESOLUTION NO. 767

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING A MID-YEAR UPDATE TO MHSA ANNUAL UPDATE FISCAL YEAR 2024-25 TO ALLOW THE USE OF UNSPENT FUNDS FROM COMMUNITY SERVICES AND SUPPORTS (CSS) PLAN IN AN AMOUNT NOT TO EXCEED $3,000,000 TO SUPPORT THE COMPLETION OF THE CLAREMONT GARDENS SENIOR HOUSING PROJECT

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 amend, pursuant to 9 C.C.R. § 3315(B), its Mental Health Services Act (MHSA) Annual Update for Fiscal Year 2024-2025 to use unspent funds in an amount not to exceed $3,000,000 from the Community Services and Supports (CSS) Plan to support the completion of the Claremont Gardens Senior Housing Project.

B. Under MHSA, Counties may use General System Development funds under their CSS plan for costs associated with purchasing, renovating, or constructing of Project-Based Housing (9 C.C.R. § 3630.05).

2. Action

The Governing Board approves the Mid-Year Update to the MHSA Annual Update for Fiscal Year 2024-2025 authorizing the use of unspent funds from the CSS Plan in an amount not to exceed $3,000,000 for the Claremont Gardens Senior Housing Project at 956 W. Baseline Road, Claremont, California 91711.

3. Adoption

PASSED AND ADOPTED at a Regular Joint Meeting of the Governing Board and the Mental Health Commission held on December 18, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM: ATTEST:

STEVEN L. FLOWER, GENERAL COUNSEL

MICAELA P. OLMOS, RECORDING SECRETARY

ATTACHMENT 8-A

TRI·CITY
Mental Health

MHSA Annual Update FY 2024-25
Mid-Year Update

An update to the Tri-City Mental Health Authority Fiscal Year 2024-25 MHSA Annual Update pursuant to 9 C.C.R. § 3315(b) to include the Claremont Gardens Senior Housing Project

Subject:

Tri-City Mental Health Authority proposes to update its 2024-25 MHSA Program Annual Update to utilize existing unspent CSS funding to support the completion of the Claremont Gardens Senior Housing Project at 956 W. Baseline Road, Claremont, California 91711 under the Mental Health Services Act (MHSA) Community Services and Supports (CSS) Plan in an amount not to exceed three million dollars ($3,000,000).

Under the Mental Health Services Act, Counties may use General System Development funds under their CSS plan for costs associated with purchasing, renovating, or constructing of Project-Based Housing (9 C.C.R. § 3630.05). The proposed plan amendment will support the cost of the final renovation of this property.

Background:

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

Due to previously unforeseen increases in construction costs due in part to economic impacts related to the COVID-19 pandemic, additional funding is now needed to complete the project. Approval of this proposed update would provide the necessary additional funding.

Stakeholder Involvement:

Under the State MHSA Regulations (9 C.C.R. § 3315(b)), any update to the MHSA Program, other than the required annual update, must undergo a local review process that includes a 30-day public comment period but no public hearing is expressly required.

This plan amendment was posted for a 30-day public comment period beginning November 8, 2024, until December 7, 2024, on Tri-City's website as well as all social media sites including Facebook, Instagram, and Twitter. In addition, this amendment was distributed to numerous locations including city halls, libraries, and community centers. No feedback was received and there were no substantive changes made to the plan.

This plan was presented to the Mental Health Commission on November 12, 2024. The Tri-City Governing Board is scheduled to review this amendment on December 18, 2024 for approval and adoption.

Fiscal Impact:

The amount required to complete the project is estimated to be approximately three million dollars ($3,000,000). If approved this update would amend the 2024-25 MHSA Program Annual Update, retroactively to July 1, 2024. The use of these funds will ultimately help with future risk of reversion with respect to one-time funds received during fiscal year 2023-24.

9. STUDY SESSION FOR MENTAL HEALTH SERVICES ACT (MHSA) FUNDING

Recommendation: "Staff recommends that the Governing Board receive the information provided about MHSA Funding and consider its options for future use of funds."

INFORMATION WILL BE PROVIDED DURING MEETING.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: **December 18, 2024**

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

FROM: **Ontson Placide, Executive Director**

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

BEHAVIORAL HEALTH TRANSFORMATION UPDATE

Since the passing of Proposition 1, Tri-City staff have dedicated their time and attention to participating in numerous workgroups hosted by the California Behavioral Health Directors Association (CBHDA). These virtual meetings are well attended by members of all California counties who are provided the opportunity to offer feedback and recommendations to CBHDA on how the pending changes under the Behavioral Health Services Act (BHSA) may impact their programming. This feedback is then shared with the Department of Health Care Services (DHCS) who is tasked with interpreting Proposition 1 and creating guidelines to inform counties on how to implement the new requirements. Although no final decisions have been made by DHCS regarding the BHSA rollout, Tri-City staff are proactively reviewing current MHSA funded programs to determine if any programs need restructuring or are at risk of defunding. This also allows staff an opportunity to research additional funding sources to supplement the BHSA dollars as needed. Additionally, Tri-City management has received draft guidelines which are currently being reviewed for feedback.

SENATE BILL NO. 525 AND 828 NEW MINIMUM WAGE FOR HEALTHCARE WORKERS:

In previous months, Governing Board was informed about Senate Bill No. 525, which aims to incrementally raise the minimum wage for healthcare workers over the next three years. Initially, the law required the minimum wage for healthcare workers to be raised to $21 for most healthcare agencies effective June 1, 2024. However, this was delayed to July 1, 2024, in accordance with SB 828. On June 23, 2024, the Governor further delayed the implementation of the healthcare minimum wage increase due to concerns about the State's budget. On October 1, 2024, the DCHS initiated notification to the Legislative Committee commencing the effective date of minimum wage increase as October 15, 2024 or January 1, 2025 for certain county behavioral health facilities.

As Tri-City Mental Health Authority (Tri-City) is one of the healthcare facilities covered by SB 525, the Human Resources Department has identified nine job classifications that will be affected, encompassing about thirty staff members. This will result in an estimated 13.75% increase in salaries which are projected to become effective January 1, 2025.

The Governing Board shall anticipate an updated report and salary adjustments in the upcoming December 2024 or January 2025 Board Meeting.

AB 2561

On September 22, 2024, Governor Gavin Newsom signed Assembly Bill 2561 (AB 2561) into law effective January 1, 2025, amending the Meyers-Milias-Brown Act to address the issue of vacancies in public agencies. Recognizing that vacancies lead to heavier workloads, employee burnout, increased turnover, and diminished public service delivery, the law introduces new transparency and reporting requirements. Public agencies must now present an annual report on their vacancies, recruitment, and retention efforts during a public hearing before their governing body. This presentation, which must occur before the adoption of the fiscal year's final budget, should also include changes to policies or recruitment activities that hinder vacancy reduction.

If vacancies exceed 20% of authorized positions in a bargaining unit, agencies must, upon request, disclose details such as the total vacancies, number of applicants, average hiring process duration, and opportunities to improve compensation and working conditions. AB 2561 increases public scrutiny over vacancy-related budget strategies, pushing agencies to proactively address staffing gaps or reevaluate the necessity of budgeted positions.

As a public employer, AB 2561 does apply to TCMHA and the Human Resources Department is actively evaluating and determining the necessary steps to comply with its requirements. Preliminary plans involve a collaborative effort between Human Resources and the Finance Department to report on vacancies and recruitment efforts in conjunction with or before the adoption of the fiscal budget each July. Further details and updates will be provided as the implementation process develops.

HUMAN RESOURCES

Staffing – Month Ending November 2024

- Total Staff is 208 full-time and 4 part-time, plus 48 full time vacancies and 6 part-time vacancies for a total of 261 positions.
- There were 6 new hires in November 2024.
- There were 3 separations in November 2024.

Workforce Demographics in November 2024

- American Indian or Alaska Native = 0.47%
- Asian = 7.55%
- Black or African American = 8.02%
- Hispanic or Latino = 62.74%
- Native Hawaiian or Other Pacific Islander = 0.47%

- Other = 2.36%
- Two or more races = 1.89%
- White or Caucasian = 16.51%

Posted Positions in November 2024

- Clinical Manager - Adult (1 FTE)
- Clinical Therapist I/II- Adult FSP (1 FTE)
- Office Assurance Specialist I (1 FTE)

COVID-19 Update

Effective March 1, 2022, the California Department of Public Health (CDPH) required healthcare workers to be vaccinated against COVID-19 or have an approved exemption. As of November 30, 2024, Tri-City staff have a vaccination compliancy rate of 88.67%. In February 2024, Tri-City, in conjunction with the County of LA's Department of Public Health requirement, reduced our masking requirement for healthcare workers that have received both the 2023-2024 COVID-19 vaccine booster and the influenza vaccine. Effective November 1, 2024, Los Angeles County Department of Public Heath continued their requirement that all healthcare workers must be vaccinated with both the 2024-2025 influenza and COVID-19 vaccines or wear a mask. As of November 30, 2024, 15.42% of our current vaccinated workforce has received both 2024-2025 vaccinations.

COURAGEOUS MINDS PROGRAM

We are excited to announce that the Courageous Minds program is recruiting its next cohort of community members passionate about sharing their mental health and recovery journeys. This unique opportunity is open to individuals aged 18 and older who reside in or have a connection to the cities of La Verne, Claremont, or Pomona.

By joining the Courageous Minds Speakers Bureau, you will have the chance to make a meaningful impact in our community. As a speaker, you will contribute to reducing stigma around mental health by fostering open and healthy conversations that inspire understanding and support. No prior public speaking experience is required—we value your story and your courage.

UPCOMING EVENTS

- **Youth Movie Nights at the Tri-City Wellness Center**
  - **Every Tuesday**
    6:00 PM–7:30 PM
    Tri-City Wellness Center (1403 N Garey Ave, Pomona)

  - Free and open to ages 16-25. Snacks included! For more information, contact the Tri-City Wellness Center at (909) 242-7600 or wellness@tricitymhs.org. No registration required.
    - **December 10**: How the Grinch Stole Christmas
    - **December 17**: Christmas with the Kranks
    - **December 31**: Paul Blart Mall Cop

- **Friday Movie Nights at the Tri-City Wellness Center**
  - **Every Friday**
    6:00 PM–7:30 PM
    Tri-City Wellness Center (1403 N Garey Ave, Pomona)
  - Bring your friends and family, blankets and pillows! Complimentary snacks will be provided. This event is free and open for all ages to attend. For more information, contact the Tri-City Wellness Center at (909) 242-7600 or wellness@tricitymhs.org. Check out our movie lineup!
    - **December 13:** Klaus
    - **December 20:** How the Grinch Stole Christmas
    - **December 27:** Smurfs: The Lost Village

- **MHSSA Father's Group**
  - **Thursday, December 19, 2024**
    6:30 PM–8:00 PM
    Tri-City Wellness Center (1403 N Garey Ave, Pomona)
  - Please join our MHSSA Grant team for our parent group, held every 3rd Thursday of the month. Hang out and connect with other parents while watching live sports games and popular sports movies! Snacks and food provided. This is a free support group for parents, guardians, caregivers, and any father figure of a child.
  - For more information contact Keith Colder or Nicholas Chang.

- **Senior Ugly Sweater Party at the Wellness Center**
  - **Friday, December 20, 2024**
    3:00 PM-4:30 PM
    Tri-City Wellness Center (1403 N Garey Ave, Pomona)
  - Let the ugly sweater weather begin! ❄️⛄The Wellness Center is hosting a Senior Ugly Sweater Party. Don your favorite ugly sweater and join us for a holiday kick-off with crafts, refreshments, and food! This event is free for ages 55+. To RSVP, contact Christine Castillo at (909) 242-7600 or wellness@tricitymhs.org.

- **Reflect. Release. Recharge. Embracing Change and Wellness for the New Year**
  Let's Talk: MHSSA Student Wellness Series
  - **Thursday, December 19, 2024**
    4:00 PM | Via Zoom
    Click here to register
  - Please join the MHSSA (Mental Health Student Services Act) team for our monthly Student Wellness webinar series. This is a free parent/caregiver-focused webinar held monthly on the 3rd Thursday of the month and open to the general public. This interactive session offers a chance to engage in self-care, reflect on your year's successes, changes, and challenges, and set a positive tone for the future. We'll provide practical strategies and tips to support yourself, youth, and the whole family as you navigate the new year together. For more information contact Markie Sterner, Clinical Supervisor, and the MHSSA team.

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority
Ontson Placide, Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance and Facilities Report

UNAUDITED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2024 (2025 FISCAL YEAR-TO-DATE):

The financials presented herein are the PRELIMINARY and unaudited financial statements for the four months ended October 31, 2024. These financial statements include the activities from the clinical outpatient operations as well as activities from the implemented MHSA programs under the CSS, PEI, INN, WET and CFTN plans.

The increase in net position (income) is approximately $11.6 million. MHSA operations accounted for approximately $11.3 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 2024, Tri-City received MHSA funding of approximately $20.7 million, of which $13.2 million were for approved programs for fiscal 2024-25 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2024. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2024-25. In addition, during this current fiscal year 2024-25 approximately $10.6 million in MHSA funding has been received of which $2.9 million was identified and approved for use in the current fiscal year 2024-25 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately $16.1 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent as the timing of expenditures will lag behind the timing of revenue recognition.

The increase in net position of approximately $289 thousand is from Clinic outpatient operations, which is the result of operations for the four months ended October 31, 2024 which includes one-time payments made at the beginning of the year.

The total cash balance at October 31, 2024 was approximately $56.9 million, which represents an increase of approximately $10.6 million from the June 30, 2024 balance of approximately $47.8 million. Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had an increase in cash of approximately $2.1 million primarily as a result timing of cash receipts from LADMH. MHSA operations reflected an increase in cash of approximately $7.0 million, after excluding intercompany receipts or costs resulting from clinic operations. Total increase in MHSA cash reflects the receipt of approximately $9.6 million in MHSA funds offset by the use of cash for MHSA operating activities.

Approximately $8.3 million in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the four months ended October 31, 2024. As of the date of the report, approximately $2.7 million of additional receipts are related to fiscal year 2023-24 receivables.

UPCOMING, CURRENT EVENTS & UPDATES

Overall Financial Update

We continue to closely monitor for any new developments, changes to legislation and updated revenue projections from CBHDA, specifically with regard to MHSA as these revenues continually fluctuate and as evidenced in the past and as noted below, significantly differ from original projections as well as revised projections. As such, planning appropriately to ensure we meet the needs of our community, and having the ability to make changes as we go will be necessary in the upcoming years, especially if projections wind up being significantly different than currently projected.

Upcoming reporting deadlines

Now that the annual financial statement audit is behind us and has been issued, the finance department will now move onto the following reportable items and deadlines:

External

- State Controllers Financial Transactions Report due 01/31/2025
- MHSA Annual Revenue and Expenditure Report due 01/31/2025
- State Compensation Report due 04/30/2025

Internal

- MHSA Annual update due 04/30/2025
- Agency-wide Budget due 06/30/2025

MHSA Funding Updates

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, 2024.

		MHSA	
Cash at June 30, 2024	$	36,745,684	
Receivables net of Reserve for Cost Report Settlements		1,631,390	
Prudent Reserves		(2,200,000)	*
Estimated Remaining Expenses for Operations FY 2024-25		(8,454,902)	**
Reserved for future CFTN Projects		(6,417,848)	
Total Estimated Adjustments to Cash		(15,441,360)	
Estimated Available at June 30, 2025	$	21,304,324	
Estimated remaining MHSA funds to be received in FY 2023-24	$	3,519,583	

* Per SB 192, Prudent Reserves are required to be maintained at an amount that does not exceed 33% of the average Community Services and Support (CSS) revenue received for the fund, in the preceding 5 years.

** Estimated based on to-date actuals projected through year-end June 30, 2025, net of estimated Medi-Cal revenue, including actual and estimated amounts to year end 06/30/2025.

MHSA Expenditures and MHSA Revenue Receipts –

MHSA Reversion Update:

Each remittance of MHSA funds received by Tri-City is required to be allocated among three of the five MHSA Plans, CSS, PEI and INN. The first 5% of each remittance is required to be allocated to INN and the remaining amount is split 80% to CSS and 20% to PEI. While the WET and the CapTech plans have longer time frames in which to spend funds (made up of one-time transfers into these two plans), the CSS, PEI and INN plans have three years.

Amounts received within the CSS and PEI programs must be expended within three years of receipt. INN amounts must be programmed in a plan that is approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC) within three years of receipt, and spent within the life of the approved program. Upon approval by the MHSOAC, INN amounts have to be expended within the life of said program. For example, a program approved for a five-year period will have the full five years associated with the program to expend the funds.

The following tables are **excerpts** from DHCS's annual reversion report received by Tri-City on February 29, 2024 based on the fiscal year 2022-23 Annual Revenue and Expense Report (ARER). The next updated information from DHCS is expected in March of 2025.

CSS reversion waterfall analysis

CSS amounts received

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24*	Total
	8,797,914	9,293,482	11,824,329	13,252,035	9,139,346	**14,638,889**	75,622,843
Expended in:							
2017-18							-
2018-19	-						939,014
2019-20	1,290,269	-					9,028,103
2020-21	7,507,645	3,546,924	-				11,054,569
2021-22		5,746,558	3,676,533	-			9,423,091
2022-23			8,147,796	5,723,323	-		13,871,119
2023-24 **				**7,528,712**	**2,129,894**	**-**	**9,658,606**
2024-25 **					**7,009,452**	**5,640,728**	**12,650,180**
2025-26							**-**
Total Expended	8,797,914	9,293,482	11,824,329	13,252,035	9,139,346	5,640,728	66,624,682
Unspent Balance	-	-	-	-	-	8,998,161	8,998,161

*=Based on latest revenue projections

**=Planned Expenditures based on approved MHSA Plan

PEI reversion waterfall analysis

PEI amounts received

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24*	Total
	2,145,788	2,119,324	2,173,110	2,948,240	3,311,501	2,260,797	3,659,723	18,618,483
Expended in:								
2017-18	726,119							726,119
2018-19	1,419,669	387,017						1,806,686
2019-20	-	1,644,825	-					1,644,825
2020-21		87,482	1,746,984	-				1,834,466
2021-22			426,126	1,309,696				1,735,822
2022-23				1,638,544	1,718,632			3,357,176
2023-24 **					***1,592,869***	***1,743,197***		**3,336,066**
2024-25 **						***517,600***	***3,488,812***	4,006,412
2025-26 **								-
Total Expended	2,145,788	2,119,324	2,173,110	2,948,240	3,311,501	2,260,797	3,488,812	18,447,572
Unspent Balance	-	-	-	-	-	-	170,911	170,911

*=Based on latest revenue projections

**=Planned Expenditures based on approved MHSA Plan

The following table was copied directly from latest information provided from DHCS

INN reversion waterfall analysis

INN	Reallocated AB 114	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Encumbered Unspent Funds3	799,187	302,889	580,471	550,879	784,114	245,707	-	
Unencumbered Unspent Funds4	-	-	-	-	-	628,829	620,101	
Unspent Balance	**799,187**	**302,889**	**580,471**	**550,879**	**784,114**	**874,536**	**874,536**	
Encumbered Funds Starting Balance →	**799,187**	**302,889**	**580,471**	**550,879**	**784,114**	**245,707**	**-**	
Applied Expenditure ↓								**Applied Expenditure ↓**
FY 15-16								-
FY 16-17								-
FY 17-18	304,376	-						304,376
FY 18-19	131,206	-	-					131,206
FY 19-20	355,393	-	-	-				355,393
FY 20-21	8,212	-	-	-	-			8,212
FY 21-22	-	302,889	25,035	-	-	-		327,924
FY 22-23	-	-	555,436	179,342	-	-	-	734,778
FY 23-24								
Encumbered Unspent Balance →	-	-	-	371,537	784,114	245,707	-	

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

<u>Overall Facilities Update:</u>

The leases at the 1900 Royalty location are due to expire at the end of the current fiscal year, June 30, 2025. Management is actively considering all options to accommodate staff and client space needs.

<u>Attachments</u>

Attachment 11-A: October 31, 2024 Unaudited Monthly Financial Statements

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION

	AT OCTOBER 31, 2024			AT JUNE 30, 2024		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Current Assets						
Cash	$ 12,573,938	$ 44,375,316	$ 56,949,253	$ 11,061,930	$ 36,745,684	$ 47,807,614
Accounts receivable, net of reserve for uncollectible accounts						
$750,576 at October 31, 2024 and $945,619 at June 30, 2024	4,850,139	4,939,479	9,789,618	6,958,443	6,511,598	13,470,040
	17,424,077	49,314,795	66,738,871	18,020,372	43,257,282	61,277,654
Property and Equipment						
Land, building, furniture and equipment	4,122,276	10,932,481	15,054,757	4,100,520	10,766,682	14,867,203
Accumulated depreciation	(2,901,253)	(5,117,492)	(8,018,746)	(2,864,375)	(4,972,020)	(7,836,395)
Rights of use assets-building lease	1,753,343	-	1,753,343	1,753,343	-	1,753,343
Accumulated amortization-building lease	(1,514,690)	-	(1,514,690)	(1,395,366)	-	(1,395,366)
Rights of use assets-SBITA	1,298,467	-	1,298,467	1,298,467	-	1,298,467
Accumulated amortization-SBITA	(588,073)	-	(588,073)	(588,073)	-	(588,073)
Total Property and Equipment	2,170,069	5,814,989	7,985,059	2,304,516	5,794,663	8,099,179
Other Assets						
Deposits and prepaid assets	514,661	63,245	577,906	93,757	63,245	157,002
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	2,684,730	8,678,234	11,362,964	2,398,273	8,657,908	11,056,181
Total Assests	20,108,807	57,993,029	78,101,836	20,418,645	51,915,190	72,333,835
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	6,257,996	-	6,257,996	6,257,996	-	6,257,996
Total Deferred Outflows of Resources	6,257,996	-	6,257,996	6,257,996	-	6,257,996
Total Assets and Deferred Outflows of Resouces	**$ 26,366,803**	**$ 57,993,029**	**$ 84,359,832**	**$ 26,676,641**	**$ 51,915,190**	**$ 78,591,831**
LIABILITIES						
Current Liabilities						
Accounts payable	473,725	52,652	526,376	608,213	452,165	1,060,378
Accrued payroll liabilities	97,072	229,897	326,969	93,247	262,608	355,855
Accrued vacation and sick leave	616,403	1,261,202	1,877,606	636,668	1,264,537	1,901,206
Deferred revenue	766,811	-	766,811	496,724	-	496,724
Reserve for Medi-Cal settlements	3,699,567	3,308,089	7,007,656	3,673,280	3,201,942	6,875,222
Current portion of lease liability	238,653	-	238,653	357,977	-	357,977
Current portion of SBITA liability	308,979	-	308,979	308,979	-	308,979
Total Current Liabilities	6,201,210	4,851,840	11,053,050	6,175,088	5,181,252	11,356,340
Intercompany Acct-MHSA & TCMH	(447,759)	447,759	-	177,414	(177,414)	-
Long-Term Liabilities						
Lease liability	-		-	-	-	-
SBITA liability	401,415		401,415	401,415	-	401,415
Net pension liability	9,745,737	-	9,745,737	9,745,737	-	9,745,737
Unearned MHSA revenue	-	9,081,759	9,081,759	-	1,383,814	1,383,814
Total Long-Term Liabilities	10,147,152	9,081,759	19,228,911	10,147,152	1,383,814	11,530,966
Total Liabilities	15,900,603	14,381,358	30,281,961	16,499,654	6,387,651	22,887,305
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	13,188,357	13,188,357
Deferred inflows related to the net pension liability	156,688	-	156,688	156,688	-	156,688
Total Deferred Inflow of Resources	156,688	-	156,688	156,688	13,188,357	13,345,045
NET POSITION						
Invested in capital assets net of related debt	1,221,022	5,814,989	7,036,011	1,236,145	5,794,663	7,030,808
Restricted for MHSA programs	-	37,796,682	37,796,682	-	26,544,519	26,544,519
Unrestricted	9,088,489	-	9,088,489	8,784,153	-	8,784,153
Total Net Position	10,309,511	43,611,672	53,921,182	10,020,298	32,339,182	42,359,480
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 26,366,803**	**$ 57,993,029**	**$ 84,359,832**	**$ 26,676,641**	**$ 51,915,190**	**$ 78,591,831**

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, 2024 AND 2023

	PERIOD ENDED 10/31/24			PERIOD ENDED 10/31/23		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
OPERATING REVENUES						
Medi-Cal FFP	$ 1,527,654	$ 2,120,601	$ 3,648,255	$ 1,317,422	$ 1,367,598	$ 2,685,019
Medi-Cal FFP FYE Prior Year	241,817	200,939	442,755	67,297	3,039	70,336
Medi-Cal SGF-EPSDT	348,648	512,781	861,429	291,998	321,257	613,255
Medi-Cal SGF-EPSDT Prior Year	59,226	52,058	111,284	3,379	25,813	29,192
Medicare	2,875	1,694	4,569	2,374	1,778	4,151
Contracts	-	10,836	10,836	-	10,285	10,285
Patient fees and insurance	-	-	-	21	62	83
Rent income - TCMH & MHSA Housing	4,312	27,653	31,966	3,696	22,586	26,282
Other income	262	295	557	85	46	130
Net Operating Revenues	**2,184,793**	**2,926,858**	**5,111,651**	**1,686,271**	**1,752,464**	**3,438,735**
OPERATING EXPENSES						
Salaries, wages and benefits	2,808,789	6,518,280	9,327,069	2,761,729	5,734,180	8,495,909
Facility and equipment operating cost	204,021	569,028	773,049	191,459	413,543	605,002
Client lodging, transportation, and supply expense	4,544	426,244	430,788	104,933	425,187	530,120
Depreciation & amortization	99,528	202,147	301,675	98,930	203,103	302,033
Other operating expenses	325,095	884,395	1,209,490	301,056	760,164	1,061,220
Total Operating Expenses	**3,441,978**	**8,600,094**	**12,042,072**	**3,458,107**	**7,536,176**	**10,994,283**
OPERATING (LOSS) (Note 1)	**(1,257,185)**	**(5,673,236)**	**(6,930,421)**	**(1,771,836)**	**(5,783,712)**	**(7,555,548)**
Non-Operating Revenues (Expenses)						
Realignment	1,218,450	-	1,218,450	1,218,450	-	1,218,450
MHSA funds	-	16,110,576	16,110,576	-	15,413,070	15,413,070
Grants and Contracts	150,088	-	150,088	213,559	-	213,559
Interest Income net with FMV	177,860	835,150	1,013,009	74,435	408,365	482,799
Total Non-Operating Revenues (Expense)	1,546,397	16,945,726	18,492,123	1,506,443	15,821,435	17,327,878
INCOME (LOSS)	**289,212**	**11,272,489**	**11,561,702**	**(265,393)**	**10,037,722**	**9,772,330**
INCREASE (DECREASE) IN NET POSITION	**289,212**	**11,272,489**	**11,561,702**	**(265,393)**	**10,037,722**	**9,772,330**
NET POSITION, BEGINNING OF YEAR	10,020,298	32,339,182	42,359,480	8,333,454	28,503,370	36,836,825
NET POSITION, END OF MONTH	**$ 10,309,511**	**$ 43,611,671**	**$ 53,921,182**	**$ 8,068,061**	**$ 38,541,093**	**$ 46,609,154**

(**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
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TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF CASH FLOWS
FOUR MONTHS ENDED OCTOBER 31, 2024 AND 2023

	PERIOD ENDED 10/31/24			PERIOD ENDED 10/31/23		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	$ 3,931,475	$ 4,372,643	$ 8,304,117	$ 1,351,295	$ 1,247,273	$ 2,598,567
Cash payments to suppliers and contractors	(1,151,702)	(2,335,854)	(3,487,557)	(397,457)	(1,711,690)	(2,109,147)
Payments to employees	(2,825,230)	(6,554,326)	(9,379,555)	(2,102,620)	(5,698,378)	(7,800,998)
	(45,457)	(4,517,537)	(4,562,995)	(1,148,782)	(6,162,796)	(7,311,578)
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	10,619,632	10,619,632	-	12,584,165	12,584,165
CalHFA-State Administered Projects	-	532	532	-	30,266	30,266
Realignment	1,218,450	-	1,218,450	2,542,362	-	2,542,362
Grants and Contracts	773,279	-	773,279	287,508	-	287,508
	1,991,729	10,620,164	12,611,893	2,829,870	12,614,431	15,444,301
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(21,755)	(165,799)	(187,554)	(13,725)	(463,040)	(476,765)
Intercompany-MHSA & TCMH	(625,173)	625,173	-	(114,446)	114,446	-
	(646,929)	459,374	(187,554)	(128,171)	(348,594)	(476,765)
Cash Flows from Investing Activities						
Interest received	173,459	854,764	1,028,222	89,620	541,078	630,697
	173,459	854,764	1,028,222	89,620	541,078	630,697
Cash Flows from Reorganization Items						
Receipt of SB90 claims previously reserved and accrued	-	-	-	241,378	-	241,378
	-	-	-	241,378	-	241,378
Net Increase (Decrease) in Cash and Cash Equivalents	1,472,802	7,416,764	8,889,566	1,883,914	6,644,119	8,528,032
Cash Equivalents at Beginning of Year	11,061,930	36,745,684	47,807,614	8,976,643	30,118,745	39,095,388
Cash Equivalents at End of Month	**$ 12,534,732**	**$ 44,162,449**	**$ 56,697,180**	**$ 10,860,556**	**$ 36,762,864**	**$ 47,623,420**
Cash from the Balance Sheet	**12,573,938**	**44,375,316**	**56,949,253**	**10,866,849**	**36,763,654**	**47,630,503**
YTD Gain/(Loss) from GASB 31 Fair Market Value	**$ 39,206**	**$ 212,867**	**$ 252,073**	**$ 6,293**	**$ 790**	**$ 7,083**

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, 2024
(UNAUDITED)

	TRI-CITY MENTAL HEALTH OUTPATIENT CLINIC (TCMH)			TRI-CITY MENTAL HEALTH SERVICES ACT (MHSA)			TRI-CITY MENTAL HEALTH AUTHORITY CONSOLIDATED		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES									
Medi-Cal FFP	$ 1,665,926	$ 1,967,970	$ (302,045)	$ 2,312,542	$ 3,679,013	$ (1,366,470)	$ 3,978,468	$ 5,646,983	$ (1,668,515)
Medi-Cal SGF-EPSDT	380,205	610,256	(230,051)	559,195	704,197	(145,002)	939,399	1,314,453	(375,054)
Medicare	2,875	1,667	1,208	1,694	867	828	4,569	2,533	2,036
Patient fees and insurance	-	333	(333)	-	167	(167)	-	500	(500)
Contracts	-	-	-	10,836	9,333	1,502	10,836	9,333	1,502
Rent income - TCMH & MHSA Housing	4,312	3,696	616	27,653	20,000	7,653	31,966	23,696	8,270
Other income	262	200	62	295	67	228	557	267	290
Provision for contractual disallowances	(169,829)	(257,823)	87,994	(238,354)	(438,319)	199,965	(408,183)	(696,142)	287,959
Provision for contractual disallowances prior year	301,043	-	301,043	252,997	-	252,997	554,040	-	554,040
Net Operating Revenues	**2,184,793**	**2,326,299**	**(141,506)**	**2,926,858**	**3,975,324**	**(1,048,466)**	**5,111,651**	**6,301,623**	**(1,189,972)**
OPERATING EXPENSES									
Salaries, wages and benefits	2,808,789	3,476,184	(667,395)	6,518,280	7,638,178	(1,119,898)	9,327,069	11,114,362	(1,787,293)
Facility and equipment operating cost	204,021	187,204	16,817	570,894	463,317	107,577	774,915	650,521	124,395
Client program costs	4,544	3,777	767	426,244	201,010	225,234	430,788	204,788	226,001
Grants	31,103	455,232	(424,130)	50,884	123,874	(72,990)	81,987	579,106	(497,119)
MHSA training/learning costs			-	65,636	23,907	41,729	65,636	23,907	41,729
Depreciation & amortization	99,528	65,826	33,702	202,147	208,104	(5,957)	301,675	273,930	27,745
Other operating expenses	293,992	173,256	120,736	766,009	920,388	(154,379)	1,060,001	1,093,644	(33,643)
Total Operating Expenses	**3,441,978**	**4,361,480**	**(919,502)**	**8,600,094**	**9,578,778**	**(978,684)**	**12,042,072**	**13,940,258**	**(1,898,186)**
OPERATING INCOME (LOSS)	**(1,257,185)**	**(2,035,181)**	**777,996**	**(5,673,236)**	**(5,603,454)**	**(69,782)**	**(6,930,421)**	**(7,638,635)**	**708,214**
Non-Operating Revenues (Expenses)									
Realignment	1,218,450	1,466,667	(248,216)	-	-	-	1,218,450	1,466,667	(248,216)
MHSA Funding	-	-	-	16,110,576	16,693,035	(582,459)	16,110,576	16,693,035	(582,459)
Grants and contracts	150,088	1,067,080	(916,993)	-	-	-	150,088	1,067,080	(916,993)
Interest (expense) income, net	177,860	64,973	112,886	835,150	456,667	378,482	1,013,009	521,641	491,369
Total Non-Operating Revenues (Expense)	**1,546,397**	**2,598,720**	**(1,052,323)**	**16,945,726**	**17,149,702**	**(203,977)**	**18,492,123**	**19,748,423**	**(1,256,300)**
INCREASE(DECREASE) IN NET POSITION	**$ 289,212**	**$ 563,539**	**$ (274,327)**	**$ 11,272,489**	**$ 11,546,248**	**$ (273,759)**	**$ 11,561,702**	**$ 12,109,788**	**$ (548,086)**

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TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FOUR MONTHS ENDING OCTOBER 31, 2024

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:
TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)
MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than the budget by approximately $1.2 million for the following reasons:

1 **Medi-Cal FFP revenues for FY 2024-25** were $1.7 million lower than the budget. Medi-Cal FFP revenues were $302 thousand lower for TCMH and approximately $1.4 million lower for MHSA. At TCMH, the adult program revenues were lower than budget by $312 thousand and the children program revenues were higher by $10 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by $1.2 million and the Children and TAY FSP programs were lower by $156 thousand.

2 **Medi-Cal SGF-EPSDT revenues for fiscal year 2024-25** were lower than budget by $375 thousand of which $230 thousand lower were from TCMH and $145 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.

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

5 **Rent Incomes** are higher than the budget by $8 thousand. The rental income represents the payments collected from Genoa pharmacy for space leasing at the 2008 N. Garey Avenue and from the tenants staying at the MHSA house on Park Avenue.

6 **Provision for contractual disallowances** for fiscal year 2024-25 was lower than budget by $288 thousand. Furthermore, due to the State's completion of FY15-16 cost report audit, the overall reserves were reduced by another $554 thousand. This prior year's reserves write off essentially helps increase the current year's net operating revenues.

Operating Expenses

Operating expenses were lower than budget by $1.9 million for the following reasons:

1 **Salaries and benefits** are approximately $1.8 million lower than budget and of that amount, salaries and benefits are $667 thousand lower for TCMH operations and are $1.1 million lower for MHSA operations. These variances are due to the following:

TCMH salaries are lower than budget by $421 thousand due to vacant positions and benefits are lower than budget by $246 thousand. Benefits are budgeted as a percentage of the salaries. Therefore, when salaries are lower, benefits will also be lower.

MHSA salaries are lower than budget by $733 thousand. The direct program salary costs are lower by $466 thousand due to vacant positions and the administrative salary costs are lower than budget by $267 thousand. Benefits are lower than the budget by $387 thousand. Of that, health insurance was lower than budget by $240 thousand, state unemployment insurance $53 thousand, retirement insurances $39 thousand, workers compensation $16 thousand, medicare tax $14 thousand. Group term life insurance and other employee benefits are also lower by $25 thousand.

2 **Facility and equipment operating costs** were higher than the budget by $124 thousand of which $17 thousand higher was from TCMH and $107 thousand higher was from MHSA. Overall, building and facility costs were higher than the budget by $77 thousand due to repairs and maintenance costs at the 2008 N. Garey building and the Community Therapeutic Garden. The equipment costs were higher by another $47 thousand due to the replacement of some of the aging printer scanners and the upgrading of the Wellness Center's computer lab both of which are funded by the CFTN plan.

3 **Client program costs** are higher than the budget by $226 thousand partly due to a payment of $396 thousand to the City of Pomona's Hope for Home Year-Round Emergency Shelter early in the year while the budget is evenly spread out over a fiscal year.

4 **Grants for fiscal year 2024-25** are $497 thousand lower than the budget due to timing. These are the sub-grants awarded under the TCMH Mental Health Student Services Act program, the community grants under the MHSA PEI Community Wellbeing project and the Student Loan Forgiveness program under the MHSA WET plan.

5 **MHSA learning and training costs** are $42 thousand higher than the budget.

6 **Depreciation and amortization** are $28 thousand higher than the budget.

7 **Other operating expenses** were lower than the budget by $34 thousand of which $121 thousand higher were from TCMH offset by $154 thousand lower from MHSA. Overall, the higher costs were due to higher personnel recruiting fees, attorney fees, dues and

subscriptions, and liability insurance costs. These higher costs are offset with lower professional fees.

TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FOUR MONTHS ENDING OCTOBER 31, 2024

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:
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Non-Operating Revenues (Expenses)

Non-operating revenues, net, are lower than budget by approximately $1.3 million as follows:

1 **TCMH non-operating revenues** are approximately $1.1 million lower than the budget. Of that, realignment fund was lower than the budget by $248 thousand, grants and contracts were lower by $917 thousand. Interest income net with fair market value was higher by $113 thousand.

2 **MHSA non-operating revenue** is approximately $582 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	$ 12,056,637	$ 12,056,637	$ -
PEI funds received and available to be spent	3,423,953	4,006,412	(582,459)
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	629,986	629,986	-
Non-operating revenues recorded	$ 16,110,576	$ 16,693,035	$ (582,459)

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

PEI recorded revenue is lower than budget by $582 thousand**.** The difference is due to the amount received and available for the PEI plan through October 2024. The additional funds received during the fiscal year 2024-25 will be recorded as revenue up to the budgeted amount.

Interest income net with Fair Market Value for MHSA is higher than budget by $378 thousand.

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

	PERIOD ENDED 10/31/24			PERIOD ENDED 10/31/23		
	TCMH Unaudited	**MHSA Unaudited**	**Consolidated Unaudited**	**TCMH Audited**	**MHSA Audited**	**Consolidated Audited**
REVENUES						
Medi-Cal FFP, net of reserves	$ 1,527,654	$ 2,120,601	$ 3,648,255	$ 1,317,422	$ 1,367,598	$ 2,685,019
Medi-Cal FFP FYE Prior Year	241,817	200,939	442,755	67,297	3,039	70,336
Medi-Cal SGF-EPSDT	348,648	512,781	861,429	291,998	321,257	613,255
Medi-Cal SGF-EPSDT Prior Year	59,226	52,058	111,284	3,379	25,813	29,192
Medicare	2,875	1,694	4,569	2,374	1,778	4,151
Realignment	1,218,450	-	1,218,450	1,218,450	-	1,218,450
MHSA funds	-	16,110,576	16,110,576	-	15,413,070	15,413,070
Grants and contracts	150,088	10,836	160,923	213,559	10,285	223,844
Patient fees and insurance	-	-	-	21	62	83
Rent income - TCMH & MHSA Housing	4,312	27,653	31,966	3,696	22,586	26,282
Other income	262	295	557	85	46	130
Interest Income	177,860	835,150	1,013,009	74,435	408,365	482,799
Total Revenues	**3,731,190**	**19,872,583**	**23,603,774**	**3,192,714**	**17,573,898**	**20,766,613**
EXPENSES						
Salaries, wages and benefits	2,808,789	6,518,280	9,327,069	2,761,729	5,734,180	8,495,909
Facility and equipment operating cost	204,021	569,028	773,049	191,459	413,543	605,002
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Total Expenses	**3,441,978**	**8,600,094**	**12,042,072**	**3,458,107**	**7,536,176**	**10,994,283**
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NET POSITION, END OF MONTH	**$ 10,309,511**	**$ 43,611,671**	**$ 53,921,182**	**$ 8,068,061**	**$ 38,541,093**	**$ 46,609,154**

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.

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Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority
Ontson Placide, Executive Director

FROM: Elizabeth Renteria, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

CLINICAL SERVICES UPDATE

Behavioral Health Status Act Housing Update

Tri-City Mental Health Authority has been actively participating in informational meetings with the County Behavioral Health Director's Association to stay informed and provide feedback about the proposed changes and ensure compliance with the Behavioral Health Services Act of California 2024 We have also began work preliminary implementation plans for both Full-Service Partnership Programs and Housing to meet the new requirements of the BHSA, ensuring that the transition to these updated policies is as smooth and efficient as possible.

In this month's clinical department report we would like to provide an update specifically about the housing component to the changes. To review, BHSA is the legislative initiative aimed at expanding and improving access to behavioral health services across the state. The Act emphasizes the importance of integrating mental health and substance use disorder services with housing support, ensuring that individuals with behavioral health needs receive comprehensive care. Clients who are seeking support for housing services must still meet criteria for BHSA services as defined by regulation:

Each recipient of BHSA funding shall establish and administer a program for housing interventions to serve persons who are chronically homeless or experiencing homelessness or are at risk of homelessness, and meet one of the following two conditions :

Eligible children and youth who meet one of the following :

(A) Are chronically homeless or experiencing homelessness or are at risk of homelessness.
(B) Are in, or at risk of being in, the juvenile justice system.
(C) Are reentering the community from a youth correctional facility.
(D) Are in the child welfare system pursuant to Section 300, 601, or 602.
(E) Are at risk of institutionalization.

Eligible adults and older adults who meet one of the following:

(A) Are chronically homeless or experiencing homelessness or are at risk of homelessness.
(B) Are in, or are at risk of being in, the justice system.
(C) Are reentering the community from prison or jail.
(D) Are at risk of conservatorship pursuant to Chapter 3 (commencing with Section 5350) of Part 1 of Division
(E) Are at risk of institutionalization.

Under the BHSA, funding for housing services is allocated to provide supportive housing and other necessary resources for individuals with behavioral health conditions. Thirty percent of this funding is earmarked specifically for housing programs, with the requirement that these programs first maximize available resources through managed care plans before utilizing BHSA funds. This ensures that the resources are being used efficiently and that individuals receive the most appropriate and cost-effective services before resorting to the more limited behavioral health funding.

Community Support Services related to housing available through the managed care plans include housing assistance, including supportive housing options for eligible individuals:

- Housing Transition Navigation Services
- Housing Deposits
- Enhanced Care Management
- Community Supports

Below are slides from the September 12, 2024 Behavioral Health Transformation Public Listening Session on Housing Interventions under the Behavioral Health Services Act, presented by Marlies Perez, BHT Project Executive at the Department of Health Care Services. The full slide deck can be found on:

Source: DHCS Public Listening Session available:
https://www.dhcs.ca.gov/BHT/Documents/9-12-24-Public-Listening-Session-BHT-Housing-Interventions.pdf

30% Housing Interventions

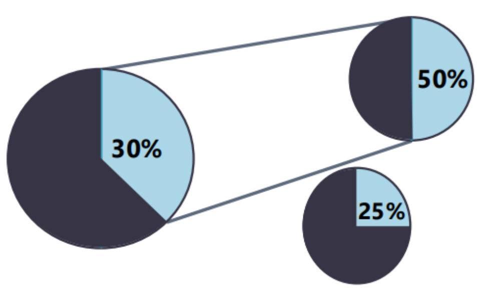
Per Welfare and Institutions Code Section 5830, county programs for housing interventions may include:

Per WIC § 5830, Housing Interventions may include:

- Rental subsidies
- Operating subsidies
- Shared housing (*including recovery housing*)
- Family housing
- Nonfederal share for Transitional Rent
- Other housing supports, as defined by DHCS, including the community supports
- Capital development projects
- Project-based housing assistance, including master leasing

BHSA Legislative Funding Requirements

30% of the funds distributed to counties must be used for Housing Interventions



50% of the Housing Intervention funds must be used for persons who are **chronically homeless**, with a **focus on individuals living in encampments**

Up to 25% of the Housing Intervention funds may be used for **Capital Development projects**

- Counties with a population of less than 200,000 may request an exemption from the required 30% allocation of BHSA funds for Housing Interventions* (*Note: exemption process under development*)
- Counties have the flexibility to move 7% of funds to/from Housing Interventions into another category (FSP or Behavioral Health Services Supports)

*(Section 95(1)(B)) of SB 326, Section 5892 of the WIC

POINT IN TIME COUNT

The 2025 Point in Time Homeless Count in the Greater Los Angeles Area is scheduled for January 21-23, 2025. TCMHA staff will be lending their support to this important effort. The San Gabriel Valley will conduct the count on January 22, 2025. The data collected during this count is crucial for understanding the scope and nature of homelessness in Los Angeles County. This information, along with data from the sheltered and youth counts, will be used to produce an estimate that will be released next spring.

TCMHA HOUSING REFERRAL DATA

Month	# of referrals	FSP	AOP	Children's	Eviction
July	53	25	22	6	1
August	71	26	39	6	7
Sept	48	19	23	6	5
Oct	51	12	33	6	6
Nov	40	7	28	5	3
5 month total	**263**	**89**	**145**	**29**	**22**

Current housing	July	August	September	October	November	5 month total
Own/Rent	12	12	12	13	8	**57**
Live with Someone	3	10	2	4	1	**20**
Staying in Motel	1	0	0	0	0	**1**
Homeless	33	44	28	29	25	**159**
Not reported	4	5	6	5	6	**26**

If homeless, where do they sleep more frequently	July	August	September	October	November	5 month total
Shelter	2	6	0	0	3	**11**
Transitional Housing/Sober Living	3	5	4	3	2	**17**
Outdoors	15	18	11	7	8	**56**
Couch Surfing	5	6	8	11	5	**35**
Car	7	8	5	6	6	**32**
Motel paid by agency or family member that does not reside in motel	1	1	0	2	1	**5**

Income	July	August	September	October	November	5 month total
Not reported	1	6	4	4	1	**17**
No income	8	10	5	6	3	**32**
$1-$221 GR	17	26	13	12	8	**76**
$222-$999	5	8	6	11	6	**36**
$1,000-$1,999	17	9	12	9	13	**60**
$2,000-$2,999	3	7	4	5	4	**23**
$3,000+	2	4	4	4	5	**19**

	Current Occupancy
Parkside Family Apartments	21 units/21 units
Cedar Springs Apartments	8 units/8 units
Holt Family Apartments	24 units/25 units
Villa Esperanza	10 units/10 units

On October 9, 2023, the Cesar Chavez Foundation invited the Housing Division to visit the site of the Chris Hartmire Plaza. During the visit, we were able to see the skeleton of the building and identified where the TCMHA office, for our Residential Services Coordinator, would be located. The construction crew shared their enthusiasm for the project, pointing out the various communal areas being worked on for the future tenants, including the pocket park, dog run, community room, and barbeque area.

We are excited to continue our partnership with the Cesar Chavez Foundation as this project progresses. Together, we are all looking forward to seeing the Chris Hartmire Plaza become a reality for our community.

On October 23, 2024, the Cesar Chavez Foundation hosted a “Topping-Out” celebration to show appreciation to the construction team. A topping-out ceremony marks the completion of the building’s structure, traditionally celebrated by placing the last beam. This tradition originated around 700 A.D. in Scandinavia, symbolizing the act of bringing life to the building. At the time of the celebration, structural construction was not officially complete, but the Cesar Chavez Foundation chose to host the event prior to the holidays to ensure staff were available to attend the celebration.

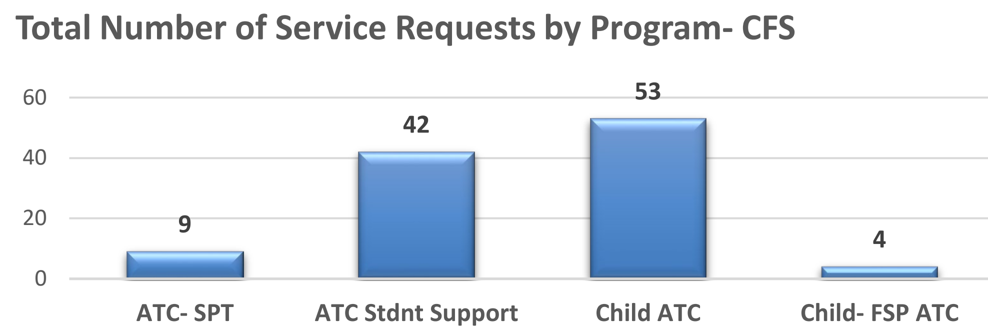
The project is expected to be completed and ready for tenants by the summer of 2025.

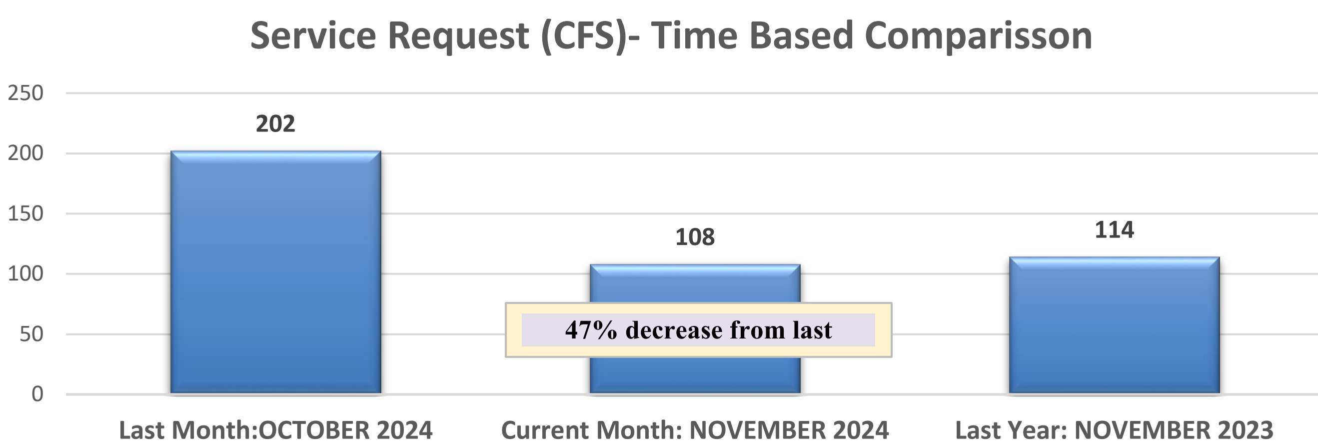
The photos below are from Onyx Architects and shows the progress of the construction at the site. (https://www.onyxarchitects.com/projects/chris-hartmire-plaza)

CLINICAL SERVICES

<u>Child And Family Services November 2024</u>

Total # of Completed Service Requests 108



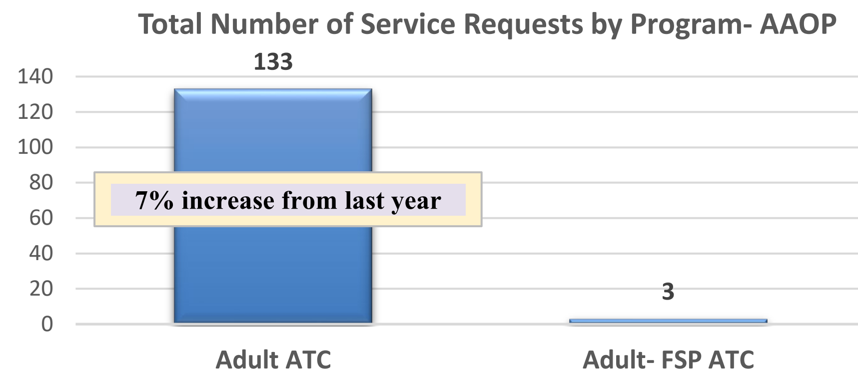


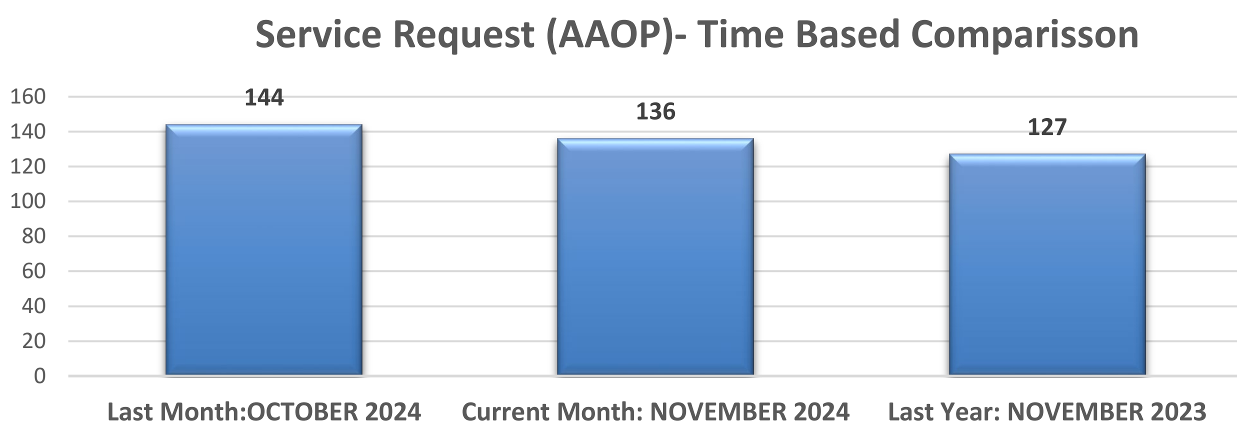
The graph above compares the number of service requests from October 2024, November 2023, and the current month, November 2024. There was a 47% decrease in service requests compared to last month. October is often a busier month for referrals, as school staff have had more time to identify children in need of services. This pattern appears to repeat year after year.

Note: This data includes MHSSA Services requests. All reports prior to May 2024 did not include MHSSA service requests data.

<u>Adult Services</u>

Total Number of completed Service Requests
136





This graph above compares the number of services requests from last month, October 2024 and last year, November 2023 to the current month, November 2024. There was a 7% increase in the number of service requests from last year.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority
Ontson Placide, Executive Director

FROM: Seeyam Teimoori, M.D., Medical Director

SUBJECT: Medical Director's Monthly Report

OPIOID OVERDOSE EPIDEMIC

Opioid overdose deaths remain high. Nearly 108,000 people died from drug overdose in 2022 and approximately 82,000 of those deaths involved opioids (about 76%) and the rate of overdose deaths involving synthetic opioids other than methadone (primarily illegally made fentanyl and fentanyl analogs) increased approximately 4%. Ways to prevent opioid overdose are to improve opioid prescribing, reduce exposure to opioids, prevent illegal opioid use and prescription opioid misuse, and treat opioid use disorder. In addition, reversing overdoses by using Naloxone Hydrochloride (NARCAN), an opioid antagonist that works immediately to reverse an opiate overdose, is crucial in preventing possible fatal outcomes.

To improve access to Naloxone, AB 2760 (Wood, Chapter 324) was signed into law in 2018 and becomes effective on January 1, 2019. This bill requires prescribers to offer a prescription for naloxone for the complete or partial reversal of opioid depression to a patient when certain conditions, which are specified in the bill, are present. This bill also requires a prescriber, consistent with the existing standard of care, to provide education to a patient and their designee, or if the patient is a minor, to the patient's parent or guardian, on overdose prevention and the use of naloxone.

Through periodic clinical and educational discussions and frequent reminders, our psychiatric and nursing teams, when appropriate and clinically indicated, have been providing prescriptions, free medication samples and education to our community members to help prevent opioid overdoses and its fatal outcomes.

Tri-City Mental Health Authority
Monthly Staff Report

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Authority

FROM: Ontson Placide, Executive Director

BY: Dana Barford, Director of MHSA and Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

BEHAVIORAL HEALTH SERVICES ACT (BHSA)

In March 2024, Proposition 1 (Senate Bill 326 - Modernization of the Mental Health Services Act and AB 531- Bond Measure) was approved by California voters. This legislation consists of a $6.4 billion Behavioral Health Bond for treatment settings and housing with services, and the transformation of the Mental Health Services Act (Prop 63) to become the Behavioral Health Services Act (BHSA), designed to improve services and how California treats mental illness, substance abuse, and the homeless.

Over the past several months, Tri-City along with other counties have participated in multiple topic-focused workgroups hosted by the California Behavioral Health Directors Association (CBHDA) with the goal of providing feedback that will help to inform the development of guidelines for implementation created by the Department of Health Care Services (DHCS).

In November and December of 2024, the Department of Health Care Services (DHCS) released the first two draft modules of the Behavioral Health Transformation Policy for county review and feedback. This policy manual guides counties and community partners in meeting the goals and requirements of the Behavioral Health Services Act.

Beginning in January 2025, Tri-City staff will host a series of presentations for stakeholders, Tri-City staff, Tri-City Mental Health Commissioners, and Governing Board members, to provide ongoing updates of the status of implementation of BHSA and how this relates to Tri-City programs and services.

COMMUNITY PLANNING PROCESS (CPP)

On November 21st, the Tri-City MHSA Projects Manager facilitated a stakeholder meeting with 17 attendees of the community group, Compassionate Pomona. As always, larger stakeholder meetings, also known as community forums, continue to occur at various locations. However, meeting the community where they are, has proven to be a reliable way to increase stakeholder engagement each year. Additional community forums are scheduled in the coming months to support the community planning process and will be reported in subsequent updates.

DIVERSITY, EQUITY, AND INCLUSION (DEI)

On November 12th the ADELANTE Wellness Collaborative was invited to present to community members of God's Pantry of Pomona, providing an overview of the services and resources available through Tri-City Mental Health. Attendees, all participants in a re-entry program, learned about the various forms of support offered to them and those in their communities. Many shared that this was their first time learning about Tri-City. There was significant interest in the Wellness Center, the Therapeutic Community Garden, and the Community Navigator Program, particularly for assistance with connecting to other resources.

PREVENTION AND EARLY INTERVENTION (PEI)

Community mental health trainings continue to be an important contribution to community mental wellbeing. During the month of November, staff provided the following presentations: ACEs (Adverse Childhood Experiences) to the Tri-City community, Community Resiliency Model (CRM) for Tri-City Wellness Center intern service learners and Youth Mental Health First Aid (YMHFA) to Bonita Unified School District (BUSD) interns.

The Peer Mentor program held a training session on Compassion Fatigue and Burnout. Staff held space for mentors to share their feelings, much of the time supporting each other, and processing their shared feelings, in a safe supportive environment and the group meeting ended on a positive note of self-care emphasizing the importance of supporting each other and oneself. Peer mentor staff also met with each mentor individually to interview for upcoming National Mentor Month social media highlights and coordinated a social media post to encourage the Tri-City community to reach out to the Mentor program if needed during the holiday season. Staff has begun interviewing, preparing screening packets and initial paperwork for potential new mentors who are interested in joining cohort 2 that will begin in January 2025.

WELLNESS CENTER (WC)

The Family Wellbeing (FWB) program organized and completed another successful Turkey Basket Giveaway for families in need this Thanksgiving. Ten families were given a complete Thanksgiving basket to prepare dinner for their families. The basket included a turkey, all the trimmings, dinner rolls and a pumpkin pie. The FWB program is now turning its attention to another annual holiday tradition, the Holly Jolly Tree Lighting event. This long-time community tradition will take place on December 5th at 6:00 pm at the Wellness Center and will include Christmas songs, the countdown to the tree lighting and the ever-classic movie, "A Charlie Brown Christmas".

COMMUNITY NAVIGATORS (CN)

The Community Navigators identified and verified multiple holiday resources that are available this year to the community. Resources include places that will provide hot meals, food boxes, grocery gift cards, and holiday events such as tree lightings, and toy giveaways. A holiday resource list was created and distributed to Tri-City staff and other agencies and organizations that work with families and individuals who can utilize these resources.

<u>Success Story</u>

An individual that was receiving services from another agency, came into Tri-City to seek resource assistance after she was released from prison. She had custody of one child and is currently in the process of regaining custody of her other two children. She was in need of housing and was connected to a Community Navigator to assist with obtaining a Section 8 voucher. The family had been previously approved for a Section 8 voucher but due to the circumstances, was unable to follow through. The Community Navigator assisted with the paperwork needed to reinstate the Section 8 voucher. In the meantime, the family was approved for crisis housing through the Pomona Family Sanctuary, where they will have a temporary furnished apartment for 90-to-120-day until they are approved for their Section 8 voucher. During this time this individual was also approved to receive mental health services at Tri-City.

Tri-City Mental Health Authority
MONTHLY STAFF REPORT

DATE: December 18, 2024

TO: Governing Board of Tri-City Mental Health Center
Ontson Placide, Executive Director

FROM: Natalie Majors-Stewart, LCSW, Chief Compliance Officer

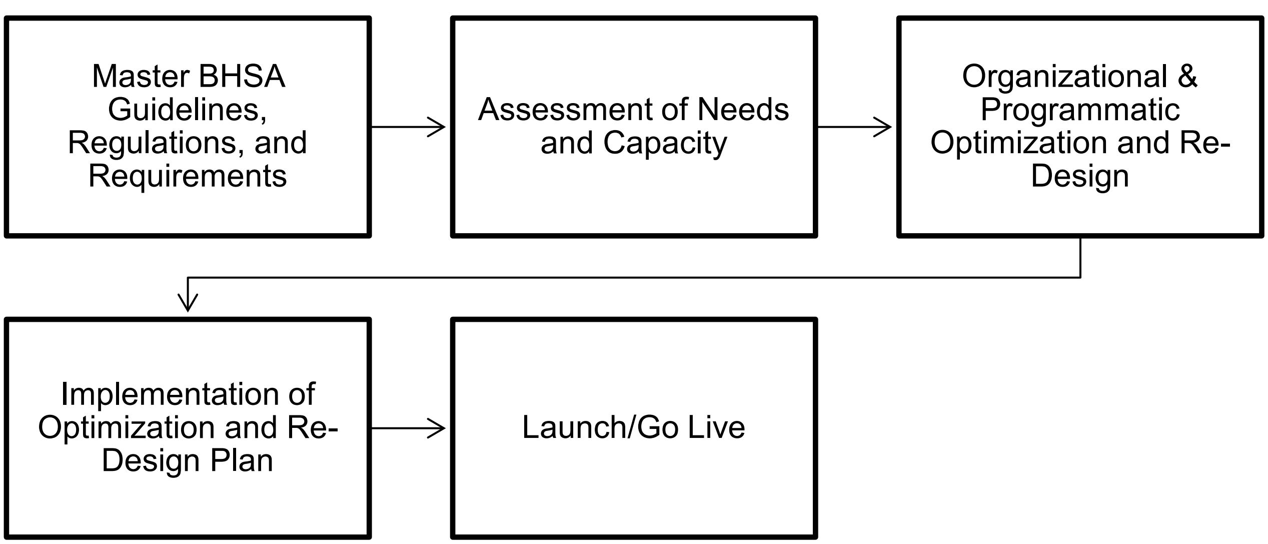
SUBJECT: Monthly Best Practices Report

BEHAVIORAL HEALTH SERVICES ACT (BHSA) TRANSFORMATION – PROJECT PLAN

Tri-City leadership has been actively furthering discussions and efforts to ensure that the agency is prepared to come into compliance with the requirements of the Statewide Behavioral Health Services Act (BHSA), by July 1, 2026. Additionally, agency leadership is prioritizing an emphasis on optimizing agency infrastructure as we adopt BHSA requirements.

Consistent with the focus on optimization, a Tri-City BHSA Transformation Project Team is being developed (in the initial stages of formation) and will serve as a driving force of our internal BHSA transformation strategies. Tri-City's BHSA Transformation Project Team is still in its early inception but has already developed a tentative project plan and timeline to help promote a successful project implementation.

The BHSA Transformation Project Plan will include the following project plan objectives (subject to change):



The agency's Quality Improvement: Data and Outcomes Team (Best Practices Department) will be specifically overseeing the Assessment of Needs and Capacity objective of this project. The assessment will include the evaluation and analysis of both: 1) Client, participant, community member, and service catchment area mental health care needs, as well as 2) Tri-City's capacity to serve the need. Capacity to serve evaluation elements include, but are not limited to the needs and capacity of:

- Workforce Members
- Leadership
- Technical Knowledge, Skills, & Ability
- Agency Resources
- Infrastructure
- Culture and climate/Readiness for Change
- Fiscal/Budget
- Partnership/Collaboration

The assessment of needs and capacity is an essential component of this project and will supporting with guiding the optimization and re-design approach and plan. Additionally, assessing capacity will help the agency understand if and how we can initiate and sustain proposed and required changes. The assessment of needs and capacity is set to be to complete by March 2025, so that the other project objectives can continue as planned.

The BHSA Transformation Project will be an agency wide collaborative with a solid project charter. Additionally, the Executive and Project Teams have started to identify and engage potential project consultants with expertise in larger scale organizational change efforts, to support with agency optimization/redesign, change management, project management, and project implementation.