



# CalMHSa Finance Committee

## TELECONFERENCE MINUTES FROM MARCH 24, 2014

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### **Finance Committee Members**

#### **Present**

- Dr. Wayne Clark, CalMHSa President (Ex-Officio)
- Scott Gruendl, Chair, Glenn County
- Dr. William Arroyo, Los Angeles County
- Tanya Bratton, San Bernardino County
- Tom Sherry, Sutter/Yuba County

#### **Absent**

- Amy Wilner, Butte County

#### **CalMHSa Staff**

- John Chaquica, Executive Director
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Doug Alliston, Legal Counsel
- Michelle Yang, Executive Assistant
- Sarah Brichler, Program Manager

#### **Consultants**

- John T. Liddle, Morgan Stanley Smith Barney
- Allan Rawland, MSW, ACSW, Associate Administrator – Government Relations

#### **Members of the Public**

- Quang Nguyen, Kern County

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:04 p.m. on March 24, 2014 by Committee Chair Scott Gruendl. Introductions were made and teleconference instructions were given.

2. **Roll Call and Public Comment Instructions**

Committee Chair Gruendl called roll and established a quorum, with one absentee member. Committee Chair Gruendl also reviewed the public comment instructions, and noted items not on the agenda would be reserved for public comment at the end of the agenda.

3. **Approval of the Agenda as Posted (Or Amended)**

Committee Chair Gruendl asked for any amendments to the agenda, of which there were none.

**Action: Approval of the consent calendar.**

**Motion: William Arroyo, Los Angeles County**

**Second: Tanya Bratton, San Bernardino County**

**Motion Approved with one absentee.**

Public comment was heard from the following individual(s):

*None*

4. **Consent Calendar**

Committee Chair Gruendl asked for any changes to the November 25, 2013 minutes, the Finance Committee Calendar, and Treasurer's Reports as of February 28, 2014. There were none.

**Action: Approval of the consent calendar.**

**Motion: Tom Sherry, Sutter/Yuba County**

**Second: William Arroyo, Los Angeles County**

**Motion approved with one absentee.**

Public comment was heard from the following individual(s):

*None*

5. **CalMHSA Investment Update**

John Liddle, Morgan Stanley Smith Barney, presented an update on the CalMHSA investments managed by Public Financial Management (PFM). Mr. Liddle discussed the current interest rates had hit a high of 2.82% which had gone up about 20 basis points. Mr. Liddle pointed out interest rates have declined in the first two weeks of March. Dr. Wayne Clark asked to know the amount CalMHSA would accumulate in interest at any given point. The projected interest has a grand total of \$467,987 for 2014. Interest earnings projected are \$3.5M including this year's interest.

**Action: None, Information only.**

Public comment was heard from the following individual(s):

*None*

6. **Sustainability Task Force Update**

John Chaquica stated CalMHSA is expecting \$3.5M in interest. The board approved the recommendation from the Funding Taskforce that members contribute to FY 14-15 Prevention and Early Intervention statewide project sustainability within a target range from 4-7%, with possible exceptions, such as a minimum contribution of 1% to support statewide efforts. Counties were asked to submit a Letter of Acknowledgement to CalMHSA by May 1<sup>st</sup> indicating the amount by which they will support statewide projects. Scott Gruendl discussed the Letter of Acknowledgement, and the need to develop a process for billing counties and reconciling payments at the end of a particular period. The Letter of Acknowledgement identifies funds for PEI projects and It serves as a notice to staff for the purpose of developing a FY 14-15 budget. The letter will come with an Annual Funding spreadsheet that illustrates contribution levels ranging from 1-7% by county.

Mr. Gruendl would prefer that counties respond using the dollar amount so there is no confusion on percentages and counties can identify the dollar amount to be contributed on the Letter of Acknowledgement. Dr. Wayne Clark wanted to simplify it by designating the FY 14-15 contribution in this first letter so there is no confusion about future contribution levels. The budgeting process will vary by county, counties will have to indicate and estimate the amount they can commit based on Model 2 Appendix 1. CalMHSA will be invoicing counties for the funds in the month of June with reference to the contractual agreement, Bylaws and JPA Agreement. Mr. Chaquica discussed payment options for counties (e.g. in full, or in payments) and if September 1<sup>st</sup> can be the due date. Mr. Sherry said that percentages are fairly small so it may not be a big issue for counties to pay in full. Staff was directed to distribute the Letters of Acknowledgement with the CalMHSA table and Department of Finance letter.

**Action: None, Information only.**

Public comment was heard from the following individual(s):

*None*

7. **Update on CalMHSA Financial Position**

Ms. Santin presented the financial statements as of December 31, 2013 and the adopted budget for June 30, 2014 for information purposes and review. The proposed budget for June 30, 2015 will be presented at the May 12 Finance Committee meeting.

8. Committee Chair Gruendl asked if there were any general public or closing comments.

9. Hearing none, the meeting was adjourned at 4:15 p.m.