

# California Mental Health Services Authority EXECUTIVE COMMITTEE TELECONFERENCE AGENDA

January 23, 2018  
3:00 p.m. – 4:00 p.m.  
Dial-in Number: 916-233-1968  
Access Code: 3043



**CalMHSA**  
3043 Gold Canal Drive, Suite 200  
Rancho Cordova, CA 95670

**San Diego County**  
Behavioral Health Division  
3255 Camino del Rio S.  
San Diego, CA 92108

**Butte County**  
Behavioral Health  
3217 Cohasset Road  
Chico, CA 95973

**Colusa County**  
Department of Behavioral Health  
162 E. Carson Street, Suite A  
Colusa, CA 95932

**Fresno County**  
Behavioral Health Department  
4441 E. Kings Canyon  
Fresno, CA 93702

**Kern County**  
Behavioral Health and Recovery Services  
3300 Truxtun Avenue  
Bakersfield, CA 93302

**Los Angeles County**  
550 S. Vermont Avenue, 10<sup>th</sup> Floor  
Los Angeles, CA 90020

**Napa County**  
Health and Human Services  
2344 Old Sonoma Road, Bldg A, Rm 122  
Napa, CA 94559

*In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.*

*Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.*

**EXECUTIVE COMMITTEE MEETING**

**1. CALL TO ORDER**

**2. ROLL CALL AND PUBLIC COMMENT INSTRUCTION**

The Committee welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Committee concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to start of item. When it appears there are several members of the public wishing to address the Committee on a specific item, at the outset of the item, the Committee President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

**3. CONSENT CALENDAR**..... **4**

    A. Routine Matters

    B. Reports / Correspondence

        a. CalMHSA Summary of Contributions by Program..... **5**

        b. Treasurer’s Report as of December 31, 2017..... **9**

        c. Financial Statement for Quarter Ending September 30, 2017..... **13**

        d. Cash Flow Management..... **19**

            i. Cash Balance as of December 31, 2017..... **20**

            ii. Projected Cash Flow at December 31, 2017..... **21**

            iii. Member Emails Regarding Fiscal Participation..... **22**

*Recommendation: Approval of the consent calendar.*

**4. SUSTAINABILITY TASKFORCE REPORT: CONSIDERATION OF CONTRACTS FOR FY 18/19 PHASE III STATEWIDE PEI PROJECT**..... **24**

*Recommendation: Approve Sustainability Task Force recommendation to extend and amend FY 17/18 Phase III Statewide PEI Project contracts for implementation of the Phase III Statewide PEI Project in FY 18/19, based on available funding.*

**5. FUND DEVELOPMENT (LCG) – LEADERSHIP COUNCIL**..... **26**

    A. Initial Budget..... **29**

    B. Revised Fee Allocation – Includes counties having funded at minimum 1 year..... **30**

*Recommendation: Provide direction on solutions.*

**6. CALMHSA ANNUAL REVENUE AND EXPENDITURE REPORT – JANUARY 2018 REVISE BUDGET JUNE 30, 2018** ..... **31**

**Recommendation:**

- *Executive Committee to discuss and/or recommend to the Board of Directors the CalMHSA Revenue and Expenditure Report – January 2018 Revise Budget June 30, 2018; and*
- *Executive Committee ratification of the George Hills Contract increase of 2.4 FTE.*

**7. EXECUTIVE DIRECTOR EVALUATION AND CONTRACT RENEWAL.....35**

***Recommendation:***

- ***Executive Committee to provide direction on the process for the renewal of the Executive Director Contract, realizing there is a provision for automatic renewal in the Agreement, or express their desire to renegotiate the contract.***
- ***Affirmation of current process of Performance Evaluation for the Executive Director, and/or direction if a new process is preferred.***

**8. REPORT FROM CALMHSA PRESIDENT - TERENCE M. ROONEY.....52**

A. General

***Recommendation: None, information only.***

**9. REPORT FROM CALMHSA EXECUTIVE DIRECTOR - WAYNE CLARK.....53**

- A. 1299 Banking Pool
- B. MHSR Reversion Issues
- C. Board of Directors' Meeting Schedule
- D. Board of Directors' Strategic Planning Session
- E. General

***Recommendation: None, information only.***

**10. PUBLIC COMMENT**

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

**11. CLOSING COMMENTS**

**12. ADJOURNMENT**

### **Agenda Item 3**

#### **SUBJECT: CONSENT CALENDAR**

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#### **ACTION FOR CONSIDERATION:**

Approval of the Consent Calendar.

#### **BACKGROUND AND STATUS:**

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Executive Committee would like to discuss any item listed, it may be pulled from the Consent Calendar.

- A. Routine Matters
- B. Reports / Correspondence
  - a. CalMHSA Summary of Contributions by Program
  - b. Treasurer's Report as of December 31, 2017
  - c. Financial Statement for Quarter Ending September 30, 2017
  - d. Cash Flow Management
    - i. Cash Balance as of December 31, 2017
    - ii. Projected Cash Flow at December 31, 2017
    - iii. Member Emails Regarding Fiscal Participation

#### **FISCAL IMPACT:**

None.

#### **RECOMMENDATION:**

Approval of the Consent Calendar.

#### **TYPE OF VOTE REQUIRED:**

Majority vote.

#### **REFERENCE MATERIALS ATTACHED:**

- CalMHSA Summary of Contributions by Program
- Treasurer's Report as of December 31, 2017
- Financial Statement for Quarter Ending September 30, 2017
- Cash Balance as of December 31, 2017
- Projected Cash Flow at December 31, 2017
- Member Emails Regarding Fiscal Participation

**California Mental Health Services Authority**  
**Summary of Contributions by Program**  
**2017/2018 Program Year**  
**BASED on Current Funding**

Member	Budget PEI Sustainability	Actual PEI Committed Sustainability	PAID as of 12/31/2017
Alameda	290,883.00	57,157.00	\$57,157.00
Alpine	15,000.00	14,208.00	\$14,208.00
Amador *	-	-	
City of Berkeley	-	40,614.00	
Butte	25,000.00	35,000.00	\$35,000.00
Calaveras*	-	-	
Colusa	11,414.00	22,732.80	\$22,732.80
Contra Costa	-	78,000.00	
Del Norte	-	-	
El Dorado	9,471.00	55,000.00	\$55,000.00
Fresno	455,864.01	342,412.80	\$342,412.80
Glenn	20,712.98	24,153.60	\$24,153.60
Humboldt	8,198.31	11,000.00	\$11,000.00
Imperial	48,915.00	48,915.00	\$48,195.00
Inyo	-	-	
Kern	120,019.19	142,333.00	\$142,333.00
Kings	48,373.00	74,592.00	
Lake	-	28,474.36	\$28,474.36
Lassen	11,000.00	19,346.00	\$19,346.00
Los Angeles	2,070,000.00	2,070,000.00	\$2,070,000.00
Madera	15,200.00	15,200.00	\$15,200.00
Marin	75,000.00	80,986.00	\$80,986.00
Mariposa	-	-	
Mendocino	8,625.00	36,940.80	\$36,940.80
Merced	-	-	
Modoc	6,522.00	20,000.00	\$20,000.00
Mono	-	-	
Monterey	252,000.00	167,654.40	\$167,654.40
Napa	10,471.00	48,307.20	\$48,307.20
Nevada	5,000.00	10,000.00	
Orange	900,000.00	859,201.00	\$859,201.00
Placer	162,000.00	116,505.00	\$116,505.00
Plumas	25,000.00	22,732.80	\$25,000.00
Riverside	526,379.00	526,379.00	
Sacramento	320,325.00	350,500.00	\$350,500.00
San Benito	-	29,836.80	\$29,836.80
San Bernardino	561,894.00	561,894.00	\$561,894.00
San Diego	400,000.00	400,000.00	\$400,000.00
San Francisco	100,000.00	50,000.00	\$50,000.00
San Joaquin	174,662.00	174,663.00	\$174,663.00
San Luis Obispo	67,308.00	98,035.20	\$98,035.20
San Mateo	95,965.00	122,939.00	\$122,939.00
Santa Barbara	5,000.00	-	
Santa Clara	-	-	
Santa Cruz	-	-	
Shasta	13,000.00	-	
Sierra *	-	-	
Siskiyou	-	25,574.40	\$25,574.00
Solano	60,611.00	72,460.80	
Sonoma	109,200.00	161,971.20	\$161,971.20
Stanislaus	-	-	
Sutter/Yuba	39,185.00	69,619.20	\$69,619.20
Tehama *	-	-	
Tri-City	15,181.00	17,188.00	\$17,188.00
Trinity	10,000.00	11,126.16	\$11,126.16
Tulare	31,443.17	44,856.00	\$44,856.00
Tuolumne	16,715.00	16,715.00	\$16,715.00
Ventura	53,500.00	59,501.00	\$59,501.00
Yolo	35,000.00	25,000.00	
<b>Total</b>	<b>7,230,036.66</b>	<b>7,259,724.52</b>	<b>6,434,225.52</b>

\* Not a member county

**California Mental Health Services Authority**  
**Summary of Contributions by Program**  
**2017/2018 Program Year - SHB**  
**BASED on Current Funding**

<b>Member</b>	<b>State Hospital Bed Program</b>	<b>Actual SHB Committed</b>	<b>PAID as of 12/31/2017</b>
Alameda	29,442.00	29,442.00	\$29,442.00
Alpine			
Amador *			
City of Berkeley			
Butte	1,402.00	1,402.00	\$1,402.00
Calaveras*			
Colusa			
Contra Costa	29,442.00	29,442.00	
Del Norte			
El Dorado	1,402.00	1,402.00	\$1,402.00
Fresno	1,402.00	1,402.00	\$1,402.00
Glenn			
Humboldt	1,402.00		
Imperial	4,206.00	4,206.00	\$4,206.00
Inyo			
Kern	11,216.00		
Kings	1,402.00	1,402.00	
Lake			
Lassen			
Los Angeles	269,000.00		
Madera	1,402.00	1,402.00	
Marin	5,608.00	5,608.00	\$5,608.00
Mariposa			
Mendocino			
Merced			
Modoc			
Mono			
Monterey	5,608.00	5,608.00	\$5,608.00
Napa	4,206.00	4,206.00	\$4,206.00
Nevada			
Orange	23,834.00	23,834.00	\$23,834.00
Placer	4,206.00	2,804.00	\$2,804.00
Plumas			
Riverside	26,638.00	26,638.00	\$26,638.00
Sacramento	25,236.00	25,236.00	\$25,236.00
San Benito			
San Bernardino	16,824.00	16,824.00	
San Diego	22,432.00	22,432.00	\$22,432.00
San Francisco	57,482.00		
San Joaquin	4,206.00	4,206.00	\$4,206.00
San Luis Obispo	1,402.00	1,402.00	\$1,402.00
San Mateo	7,010.00	7,010.00	\$7,010.00
Santa Barbara	1,402.00	1,402.00	\$1,402.00
Santa Clara	51,874.00		
Santa Cruz	1,402.00		
Shasta			
Sierra *			
Siskiyou			
Solano	4,206.00		
Sonoma	1,402.00	1,402.00	\$1,402.00
Stanislaus	4,206.00	4,206.00	\$4,206.00
Sutter/Yuba			
Tehama *			
Tri-City			
Trinity			
Tulare	4,206.00	4,206.00	
Tuolumne			
Ventura	1,402.00	1,402.00	\$1,402.00
Yolo	1,402.00		
<b>Total</b>	<b>627,912.00</b>	<b>228,526.00</b>	<b>175,250.00</b>

\* Not a member county

**California Mental Health Services Authority**  
**Summary of Contributions by Program**  
**2017/2018 Program Year - Fund Development**  
**BASED on Current Funding**

Member	Fund Development Program	Actual Fund Development Committed	PAID as of 12/31/2017
Alameda	17,843.00	17,843.00	\$17,843.00
Alpine	394.00	394.00	\$394.00
Amador *	756.00	756.00	\$756.00
City of Berkeley	1,514.00	1,514.00	
Butte	2,893.00	2,893.00	\$2,893.00
Calaveras*	826.00		
Colusa	667.00	667.00	\$667.00
Contra Costa	11,432.00	11,432.00	\$11,432.00
Del Norte	707.00		
El Dorado	2,009.00	2,009.00	\$2,009.00
Fresno	12,453.00	12,453.00	\$12,453.00
Glenn	718.00	718.00	\$718.00
Humboldt	1,787.00	1,787.00	\$1,787.00
Imperial	2,469.00	2,469.00	\$2,469.00
Inyo	478.00		
Kern	10,764.00	10,764.00	\$10,764.00
Kings	2,066.00	2,066.00	
Lake	1,006.00	1,006.00	\$1,006.00
Lassen	705.00	705.00	\$705.00
Los Angeles	142,548.00		
Madera	2,178.00		
Marin	2,833.00	2,833.00	\$2,833.00
Mariposa	480.00		
Mendocino	1,228.00	1,228.00	
Merced	3,693.00	3,693.00	\$3,693.00
Modoc	440.00	440.00	\$440.00
Mono	466.00		
Monterey	5,866.00	5,866.00	\$5,866.00
Napa	1,660.00	1,660.00	\$1,660.00
Nevada	1,328.00	1,328.00	
Orange	40,799.00	40,799.00	\$40,799.00
Placer	3,495.00	3,495.00	\$3,495.00
Plumas	642.00	642.00	\$642.00
Riverside	26,918.00		
Sacramento	16,312.00	16,312.00	\$16,312.00
San Benito	954.00	954.00	\$954.00
San Bernardino	26,676.00	26,676.00	\$26,676.00
San Diego	40,961.00	40,961.00	
San Francisco	9,302.00		
San Joaquin	8,562.00	8,562.00	\$8,562.00
San Luis Obispo	3,378.00	3,378.00	\$3,378.00
San Mateo	8,190.00	8,190.00	\$8,190.00
Santa Barbara	5,805.00		
Santa Clara	22,744.00	22,744.00	\$22,744.00
Santa Cruz	3,641.00		
Shasta	2,398.00		
Sierra *	405.00		
Siskiyou	816.00	816.00	
Solano	4,992.00		
Sonoma	5,673.00	5,673.00	\$5,673.00
Stanislaus	6,506.00	6,506.00	\$6,506.00
Sutter/Yuba	2,243.00	2,243.00	\$2,243.00
Tehama *	973.00		
Tri-City	2,819.00	2,819.00	\$2,819.00
Trinity	463.00	463.00	\$463.00
Tulare	6,138.00	6,138.00	\$6,138.00
Tuolumne	906.00	906.00	\$906.00
Ventura	10,352.00		
Yolo	2,735.00		
<b>Total</b>	<b>500,005.00</b>	<b>284,801.00</b>	<b>236,888.00</b>

\* Not a member county

**California Mental Health Services Authority**  
**Summary of Contributions by Program**  
**2017/2018 Program Year**  
**BASED on Current Funding**

Member	PEI	Private	State	Suicide	2017/2018
	Sustainability	Fund	Hospital Bed	Prevention	Total
	Page 6	Page 8	Page 9	Program	Budget
Alameda	290,883.00	17,843.00	29,442.00		338,168.00
Alpine	15,000.00	394.00			15,394.00
Amador *	-	756.00			756.00
	-	1,514.00			1,514.00
Butte	25,000.00	2,893.00	1,402.00		29,295.00
Calaveras*	-	826.00			826.00
Colusa	11,414.00	667.00			12,081.00
Contra Costa	-	11,432.00	29,442.00		40,874.00
Del Norte	-	707.00			707.00
El Dorado	9,471.00	2,009.00	1,402.00		12,882.00
Fresno	455,864.01	12,453.00	1,402.00	305,615.88	775,334.89
Glenn	20,712.98	718.00			21,430.98
Humboldt	8,198.31	1,787.00	1,402.00		11,387.31
Imperial	48,915.00	2,469.00	4,206.00		55,590.00
Inyo	-	478.00			478.00
Kern	120,019.19	10,764.00	11,216.00		141,999.19
Kings	48,373.00	2,066.00	1,402.00	19,931.47	71,772.47
Lake	-	1,006.00			1,006.00
Lassen	11,000.00	705.00			11,705.00
Los Angeles	2,070,000.00	142,548.00	269,000.00		2,481,548.00
Madera	15,200.00	2,178.00	1,402.00	19,931.47	38,711.47
Marin	75,000.00	2,833.00	5,608.00		83,441.00
Mariposa	-	480.00		6,643.82	7,123.82
Mendocino	8,625.00	1,228.00			9,853.00
Merced	-	3,693.00		53,150.59	56,843.59
Modoc	6,522.00	440.00			6,962.00
Mono	-	466.00			466.00
Monterey	252,000.00	5,866.00	5,608.00		263,474.00
Napa	10,471.00	1,660.00	4,206.00		16,337.00
Nevada	5,000.00	1,328.00			6,328.00
Orange	900,000.00	40,799.00	23,834.00		964,633.00
Placer	162,000.00	3,495.00	4,206.00		169,701.00
Plumas	25,000.00	642.00			25,642.00
Riverside	526,379.00	26,918.00	26,638.00		579,935.00
Sacramento	320,325.00	16,312.00	25,236.00		361,873.00
San Benito	-	954.00			954.00
San Bernardino	561,894.00	26,676.00	16,824.00		605,394.00
San Diego	400,000.00	40,961.00	22,432.00		463,393.00
San Francisco	100,000.00	9,302.00	57,482.00		166,784.00
San Joaquin	174,662.00	8,562.00	4,206.00		187,430.00
San Luis Obispo	67,308.00	3,378.00	1,402.00		72,088.00
San Mateo	95,965.00	8,190.00	7,010.00		111,165.00
Santa Barbara	5,000.00	5,805.00	1,402.00		12,207.00
Santa Clara	-	22,744.00	51,874.00		74,618.00
Santa Cruz	-	3,641.00	1,402.00		5,043.00
Shasta	13,000.00	2,398.00			15,398.00
Sierra *	-	405.00			405.00
Siskiyou	-	816.00			816.00
Solano	60,611.00	4,992.00	4,206.00		69,809.00
Sonoma	109,200.00	5,673.00	1,402.00		116,275.00
Stanislaus	-	6,506.00	4,206.00	54,235.00	64,947.00
Sutter/Yuba	39,185.00	2,243.00			41,428.00
Tehama *	-	973.00			973.00
Tri-City	15,181.00	2,819.00			18,000.00
Trinity	10,000.00	463.00			10,463.00
Tulare	31,443.17	6,138.00	4,206.00	84,325.27	126,112.44
Tuolumne	16,715.00	906.00			17,621.00
Ventura	53,500.00	10,352.00	1,402.00		65,254.00
Yolo	35,000.00	2,735.00	1,402.00		39,137.00
<b>Total</b>	<b>7,230,036.66</b>	<b>500,005.00</b>	<b>627,912.00</b>	<b>543,833.50</b>	<b>8,901,787.16</b>

\* Not a member county





"A George Hills Company Administered JPA"

## Treasurer's Report

As of December 31, 2017

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$10,435,218	\$10,415,324	1.24%
Morgan Stanley – Money Trust	1,471	1,471	0.03%
Cash with California Bank & Trust	222,189	222,189	0.00%
<b>Total Cash and Investments</b>	<b>\$10,658,879</b>	<b>\$10,638,984</b>	<b>1.21%</b>

Attached are the Local Agency Investment Fund (LAIF) statements detailing all investment transactions.

The LAIF market value was derived by applying the December 2017 fair value factor of 0.998093529 to the book balance.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

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Kim Santin, Finance Director

Accepted,

---

William Walker, Treasurer

**Local Agency Investment Fund**  
**P.O. Box 942809**  
**Sacramento, CA 94209-0001**  
**(916) 653-3001**

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)

November 08, 2017

CALIFORNIA MENTAL HEALTH SERVICES  
 AUTHORITY  
 STAFF  
 3043 GOLD CANAL DRIVE, SUITE 200  
 RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

**Account Number:**

Tran Type Definitions

October 2017 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
10/13/2017	10/12/2017	QRD	1551961	SYSTEM	18,154.56
10/26/2017	10/25/2017	RD	1553242	KIM SANTIN	350,000.00

Account Summary

Total Deposit:	368,154.56	Beginning Balance:	10,067,063.87
Total Withdrawal:	0.00	Ending Balance:	10,435,218.43

**Local Agency Investment Fund**  
**P.O. Box 942809**  
**Sacramento, CA 94209-0001**  
**(916) 653-3001**

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
December 08, 2017

CALIFORNIA MENTAL HEALTH SERVICES  
AUTHORITY  
STAFF  
3043 GOLD CANAL DRIVE, SUITE 200  
RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

**Account Number:**

Tran Type Definitions

November 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,435,218.43
Total Withdrawal:	0.00	Ending Balance:	10,435,218.43

**Local Agency Investment Fund**  
**P.O. Box 942809**  
**Sacramento, CA 94209-0001**  
**(916) 653-3001**

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)

January 02, 2018

CALIFORNIA MENTAL HEALTH SERVICES  
AUTHORITY  
STAFF  
3043 GOLD CANAL DRIVE, SUITE 200  
RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

**Account Number:**

[Tran Type Definitions](#)

December 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,435,218.43
Total Withdrawal:	0.00	Ending Balance:	10,435,218.43

**Agenda Item 3.B.c**

**SUBJECT: CALMHSA FINANCIAL STATEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2017**

**ACTION FOR CONSIDERATION:**

Approval of the CalMHSA Financial Statement for the Quarter ending September 30, 2017 for presentation at the next scheduled Board Meeting.

**BACKGROUND AND STATUS:**

The Executive Committee will review and discuss the financial statement for the quarter ending September 30, 2017. Upon committee approval, the financial statement will be presented at the next Board of Directors Meeting.

Some key items are noted in the financial statement cover memo.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Approval of the CalMHSA Financial Statement for the Quarter ending September 30, 2017 for presentation at the next scheduled Board of Directors Meeting.

**TYPE OF VOTE REQUIRED:**

Majority vote of the Executive Committee.

**REFERENCE MATERIALS ATTACHED:**

- CalMHSA Financial Statement Quarter Ending September 30, 2017

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

**BALANCE SHEET:**

**Cash and Cash Equivalents** – The total cash balance as of September 30, 2017 is \$11.2 million. This is an increase of \$4.9 million compared to the \$6.3 million in cash as of June 30, 2017. The increase in cash is mainly from receipt of contributions for Phase III PEI sustainability, as well as other strategic programs including the State Hospital Bed Program, Suicide Prevention Hotline, Public/Private Partnership Development and the CCBHS Loan Forgiveness Program.

**Receivables** – The balance in accounts receivable as of September 30, 2017, is \$4.8 million. The categories with the most significant balances are as follows:

• PEI Sustainability Funding	\$3,225,579
• State Hospital Beds Program	697,828
• Public/Private Partnership Development	<u>419,980</u>
	\$4,343,387

**Accounts Payable** – The balance in accounts payable as of September 30, 2017, is approximately \$1.7 million. The payables are primarily for payments to program partners. The vendors with the most significant balances are as follows:

• Kings View	\$ 160,036
• Runyon Saltzman & Einhorn, Inc.	183,005
• RAND Corporation	215,822
• University of California	<u>595,813</u>
	\$ 1,154,676

**STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:**

**Operating Revenue** – Total revenue for the three months ended September 30, 2017 was \$9.9 million consisting primarily of revenue for Phase III Sustainability (\$8.1 million), as well as other strategic programs State Hospital Bed Program, Suicide Prevention Hotline, Public/Private Partnership Development and the CCBHS Loan Forgiveness Program.

**Expenses** – Overall expenses for the three months ended September 30, 2017 were \$1.5 million. The expenses consisted mainly of contract expenses for the Statewide Program (Phase III.)

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

**UNAUDITED  
BALANCE SHEET**

	<u>September 30,</u> <u>2017</u>	<u>June 30,</u> <u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 11,200,701	\$ 6,309,433
Investments - Current Portion		
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	697,828	320,874
Public/Private Partnership Development	419,980	212,998
Suicide Prevention Hotline	19,932	
Phase III Sustainability	2,975,579	
Phase II Sustainability	250,000	250,000
Other	404,329	104,367
Interest	18,155	16,877
Prepaid Expense	15,000	44,580
Total Current Assets	<u>16,001,504</u>	<u>7,259,129</u>
Noncurrent Assets:		
Investments		
Total Assets	<u>\$ 16,001,504</u>	<u>\$ 7,259,129</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,680,618	\$ 1,950,660
Deferred Revenue	551,520	52,093
Total Current Liabilities	<u>2,232,138</u>	<u>2,002,753</u>
Net Assets:		
Operations	310,312	527,118
Obligated Funds Under Contract:		
Fiscal Modernization	96,314	96,314
International SDR Conference	19,884	(50,116)
Tech Asst/Capacity Building	203,272	203,272
WET Program Funding	148,470	148,470
Plumas Wellness Center	139,626	139,626
Community Response Plan	1,041	1,041
PNWE	7,576	7,576
Drug Medi-Cal	(6,603)	(6,603)
Orange County	2,862	2,862
Education Development Center, Inc.	2,024	2,024
SHB Program Funding	2,147,355	1,683,901
Suicide Prevention Hotline	488,445	119,714
Sutter Health Systems	148,723	190,477
LA County Tech Assist	20,333	46,788
Public/Private Partnership Development	542,906	253,230
CCBHS Loan Forgiveness Program	300,000	
Statewide PEI Project	9,196,825	1,890,682
Total Net Assets	<u>13,769,366</u>	<u>5,256,376</u>
Total Liabilities and Net Assets	<u>\$ 16,001,504</u>	<u>\$ 7,259,129</u>

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

**UNAUDITED  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS**

**For The Quarter Ended September 30, 2017**

	<u>Operations</u>	<u>Strategic Programs</u>	<u>Statewide PEI Program</u>	<u>September 2017 Total</u>	<u>June 2017 Total</u>
<b>OPERATING REVENUES:</b>					
Program Funding Contributions		\$ 1,832,056	\$ 7,865,109	\$ 9,697,165	\$ 6,960,961
Administrative Fee			270,000	270,000	
Private Fund Development Fee		-	-	-	\$ 448,230
Conference Registration				-	-
Donations	3,500			3,500	-
License Royalty Fee				-	600
Application Fee				-	500
Total Operating Revenue	<u>3,500</u>	<u>1,832,056</u>	<u>8,135,109</u>	<u>9,970,665</u>	<u>7,410,291</u>
<b>DIRECT/PROGRAM EXPENSES:</b>					
SDR Conference		(70,000)		(70,000)	-
Program Contract		273,245	656,420	929,665	6,439,740
Program Mgmt. & Oversight	165,783	169,091	148,965	483,839	1,172,284
Other Contract Services		-	-	-	70,676
Private Fund Development Contract		-	-	-	90,000
Legal	4,472	-	-	4,472	168,467
Marketing		-	-	-	-
Meeting and Other	8,354	11,675	649	20,678	38,679
Total Direct/Program Expenses	<u>178,610</u>	<u>384,011</u>	<u>806,034</u>	<u>1,368,654</u>	<u>7,979,847</u>
<b>INDIRECT EXPENSES:</b>					
General Management	23,215	24,393	20,860	68,468	592,412
Other Contract Services	2,550	-	1,997	4,547	30,100
Legal Services	10,263	-	-	10,263	23,218
Insurance	29,583	-	-	29,583	29,920
Investment Management Fees	330	-	-	330	260
Financial Audit		-	-	-	-
Meeting and Other	533	-	75	608	42,922
Total Indirect Expenses	<u>66,473</u>	<u>24,393</u>	<u>22,932</u>	<u>113,797</u>	<u>718,831</u>
Total Expenses	<u>245,082</u>	<u>408,404</u>	<u>828,965</u>	<u>1,482,452</u>	<u>8,698,677</u>
Income/(Loss) from Operations	(241,582)	1,423,652	7,306,144	8,488,213	(1,288,386)
<b>NONOPERATING INCOME:</b>					
Investment Income	18,155			18,155	65,338
Change in Investment Value	6,621			6,621	(11,373)
Total Nonoperating Income	<u>24,776</u>			<u>24,776</u>	<u>53,965</u>
Change in Net Assets	(216,807)	1,423,652	7,306,144	8,512,989	(1,234,421)
Beginning Net Assets	<u>527,118</u>	<u>2,838,576</u>	<u>1,890,682</u>	<u>5,256,376</u>	<u>5,256,376</u>
Ending Net Assets	<u>\$ 310,312</u>	<u>\$ 4,262,228</u>	<u>\$ 9,196,825</u>	<u>\$ 13,769,365</u>	<u>\$ 5,256,376</u>



**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

**UNAUDITED  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS**

**For The Quarter Ended September 30, 2017**

	Strategic Programs							Total Strategic Programs	June 2017 Total
	Total from Page 4	SHB Program	Suicide Prevention Hotline	Sutter Health Systems	LA County Tech Assist	Public/Private Partnership Development	CCBHS Loan Forgiveness Program		
<b>OPERATING REVENUES:</b>									
Program Funding Contributions	\$ -	\$ 552,204	\$ 543,832			\$ 436,020	\$ 300,000	\$ 1,832,056	\$ 1,523,896
Private Fund Development Fee	-							-	448,230
Conference Registration	-							-	-
Total Operating Revenue		552,204	543,832	-	-	436,020	300,000	1,832,056	1,972,126
<b>DIRECT/PROGRAM EXPENSES:</b>									
SDR Conference	(70,000)							(70,000)	-
Program Contract			160,036	41,754	26,455	45,000		273,245	1,123,411
Program Mgmt. & Oversight		77,189	13,215			78,687		169,091	334,799
Other Contract Services								-	65,870
Private Fund Development Contract								-	90,000
Legal								-	796
Travel & Meetings		37				11,638		11,675	11,829
Total Direct/Program Expense	(70,000)	77,226	173,251	41,754	26,455	135,325		384,011	1,626,705
<b>INDIRECT EXPENSES:</b>									
General Management		11,524	1,850			11,019		24,393	
Other Contract Services								-	
Legal Services								-	
Insurance								-	
Financial Audit								-	
Travel & Meetings								-	
Total Indirect Expenses		11,524	1,850	-	-	11,019	-	24,393	
Total Expenses	(70,000)	88,750	175,101	41,754	26,455	146,344	-	408,404	1,626,705
Change in Net Assets	70,000	463,454	368,731	(41,754)	(26,455)	289,676	300,000	1,423,652	345,421
Beginning Net Assets	544,466	1,683,901	119,714	190,477	46,788	253,230	-	2,838,576	2,493,155
Ending Net Assets	\$ 614,466	\$ 2,147,355	\$ 488,445	\$ 148,723	\$ 20,333	\$ 542,906	\$ 300,000	\$ 4,262,229	\$ 2,838,576

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

**UNAUDITED  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS**

**For The Quarter Ended September 30, 2017**

	Strategic Programs									Subtotal Strategic Programs
	Fiscal Modernization	International SDR Conference	Tech Asst/ Capacity Building	WET Program	Wellness Center	Community Response Plan	PNWE	Drug Medi-Cal	Orange County	
OPERATING REVENUES:										
Program Funding Contributions										\$ -
Private Fund Development Fee										-
Conference Registration										-
Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
DIRECT/PROGRAM EXPENSES:										
SDR Conference		(70,000)								(70,000)
Program Contract										-
Program Mgmt. & Oversight										-
Other Contract Services										-
Private Fund Development Contract										-
Legal										-
Travel & Meetings										-
Total Direct/Program Expenses	-	(70,000)	-	-	-	-	-	-	-	(70,000)
INDIRECT EXPENSES:										
General Management										
Other Contract Services										
Legal Services										
Insurance										
Financial Audit										
Travel & Meetings										
Total Indirect Expenses										
Total Expenses	-	(70,000)	-	-	-	-	-	-	-	(70,000)
Change in Net Assets	-	70,000	-	-	-	-	-	-	-	70,000
Beginning Net Assets	96,314	(50,116)	203,272	148,470	139,626	1,041	7,576	(6,603)	2,862	544,466
Ending Net Assets	\$ 96,314	\$ 19,884	\$ 203,272	\$ 148,470	\$ 139,626	\$ 1,041	\$ 7,576	\$ (6,603)	\$ 2,862	\$ 614,466

### **Agenda Item 3.B.d**

#### **SUBJECT: CASH FLOW MANAGEMENT**

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##### **ACTION FOR CONSIDERATION:**

For Information and discussion.

##### **BACKGROUND AND STATUS:**

Historically, CalMHSA has held adequate balances of cash and investments. Cash balances are decreasing as we payout on the contract obligations, and annual funding is decreasing. After the December 31 cash disbursements, our cash balance is \$10.7 million. Cash Management continues to be a priority for CalMHSA, therefore becoming a regular item in the agenda.

##### **As December 31, 2017:**

- CalMHSA received \$6.4 million (88%) of member committed Phase III PEI funding (\$7.3 million), however the 4% goal (\$12 million) was not attained.
- The Fund Development program has received \$236,888.00 (83%) of member committed funding (\$284,801.00), however the required \$500,000 was not obtained.
- The State Hospitals program received \$175,250.00 (28%) of member required funding of \$626,510.00, however many counties are in process of getting approvals for the new amendment to the MOU, participation agreements and payments.

##### **FISCAL IMPACT:**

None.

##### **RECOMMENDATION:**

For Information and discussion.

##### **TYPE OF VOTE REQUIRED:**

Majority vote.

##### **REFERENCE MATERIAL ATTACHED:**

- Cash Balance as of December 31, 2017
- Projected Cash Flow as of December 31, 2017
- Member Emails Regarding Fiscal Participation

**CalMHSA**  
**Cash Balance**  
**As of December 31, 2017**

Cash Balance, 6/30/2017	6,316,053.82
Cash Received 07/01 to 12/31/2017	8,347,349.37
Cash Payments 07/01 to 12/31/2017	(4,004,524.06)
Cash Balance, 12/31/2017	10,658,879.13

<b>Cash Balance by Institution</b>	
California Bank & Trust	222,189.47
Morgan Stanley Smith Barney	1,471.23
Local Agency Investment Fund	10,435,218.43
<b>Cash Total 12/31/17</b>	<b>10,658,879.13</b>

**California Mental Health Services Authority**  
**Projected Cash Flow**  
**2017/2018**

As of December 31, 2017

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
<b>Beginning Cash Balance</b>	6,316,053	5,927,931	7,546,450	11,200,700	10,700,563	10,487,042	10,658,879	10,554,178	10,563,463	9,760,978	9,053,089	8,331,200	6,316,053
<b>Cash Receipts:</b>													
Phase II - Sustainability 16-17				250,000									250,000
Phase III - Sustainability 17-18	102,570	1,203,197	3,567,048	247,045	297,602	714,893	429,009	429,009					6,990,375
Private Fund Develop - Member Fee 16-17		22,744					95,127	95,127					212,998
Private Fund Develop - Member Fee 17-18	27,391	103,829	51,216	6,571	16,752	7,271	99,158	99,158					411,346
Suicide Prevention Hotline 17-18		517,257	6,644	19,931									543,832
State Hospital Beds 16-17	51,874						269,000						320,874
State Hospital Beds 17-18		92,532	30,844	28,040	16,824	7,010	188,477	188,477					552,204
RAND - LA Tech Assist						92,000							92,000
Other (LAIF Interest, donations, etc.)	20,277	4,864	810,374	30,659		90	316,000			14,000			1,196,264
<b>Total Cash Receipts</b>	<b>202,112</b>	<b>1,944,423</b>	<b>4,466,126</b>	<b>582,246</b>	<b>331,178</b>	<b>821,264</b>	<b>1,396,771</b>	<b>811,771</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>10,569,892</b>
<b>Cash Expenses:</b>													
PEI/Phase I Obligations 2014/15							595,812						595,812
Phase II Obligations 2016/17	247,895	133,493	586,410	241,462			80,597	80,597	80,597				1,451,050
Phase III Obligations 2017/18		20,839	23,064	236,463	296,411	412,533	387,241	387,241	387,241	387,241	387,241	387,241	3,312,759
Suicide Prevention Hotline	57,749			160,036	51,532	46,232	31,852	31,852	31,852	31,852	31,852	31,852	506,660
Plumas Wellness Center	8,573	60	30,070										38,703
TTACB Contract							17,843	17,843	17,843	17,843	17,843	17,843	107,056
State Hospital Beds	88,750	18		88,713		575	69,129	69,129	69,129	69,129	69,129	69,129	592,832
Fiscal Modernization Project	3,648	10,000					5,525	5,525	5,525	5,525	5,525	5,525	46,795
Sutter	13,183	2,223	16,056	23,475	11,672	7,376	92,175						166,160
RAND - LA Tech Assist				59,668									59,668
LA County - Tech Suite						8,999							8,999
WET Program Expenditures							18,559	18,559	18,559	18,559	18,559	18,559	111,353
Private Fund Development	15,000	23,858	15,000	17,780	15,000	15,000	21,328	21,328	21,328	21,328	21,328	21,328	229,605
Other Administrative Expenses	2,433	973	984	1,723	2,374	164							8,652
<b>Total Administrative Expenses</b>	<b>155,437</b>	<b>135,413</b>	<b>141,277</b>	<b>254,786</b>	<b>170,084</b>	<b>158,711</b>	<b>181,413</b>	<b>170,413</b>	<b>170,413</b>	<b>170,413</b>	<b>170,413</b>	<b>205,413</b>	<b>2,084,184</b>
<b>Total Cash Expenses</b>	<b>590,234</b>	<b>325,903</b>	<b>811,876</b>	<b>1,082,383</b>	<b>544,699</b>	<b>649,427</b>	<b>1,501,473</b>	<b>802,486</b>	<b>802,486</b>	<b>721,889</b>	<b>721,889</b>	<b>756,889</b>	<b>9,311,635</b>
<b>Ending Cash Balance</b>	<b>5,927,931</b>	<b>7,546,450</b>	<b>11,200,700</b>	<b>10,700,563</b>	<b>10,487,042</b>	<b>10,658,879</b>	<b>10,554,178</b>	<b>10,563,463</b>	<b>9,760,978</b>	<b>9,053,089</b>	<b>8,331,200</b>	<b>7,574,311</b>	<b>7,574,311</b>

**Member Emails Regarding Fiscal Participation**

**December 30, 2017**

Dear Board Members,

CalMHSA is finalizing program funding for FY 17/18 and beginning to plan for FY 18/19. The CalMHSA Finance Committee meets on January 16th and we will be providing an update to the Finance Committee on outstanding receivables for FY 17/18. You are receiving this email because CalMHSA has not received the payment from your county for invoices which are past due.

Please respond by January 10th with the status of when CalMHSA will receive payment for your outstanding invoices. Please disregard this notice if your county has recently been in conversation with CalMHSA regarding processing your overdue invoices.

If you have any questions, please contact Laura Li at [laura.li@calmhsa.org](mailto:laura.li@calmhsa.org) or (916) 859-4818.

**August 2017**

Good Morning,

Just a friendly reminder that invoices for FY 17-18 were distributed on 7/9/2017, which includes the following programs:

- 1) Phase III Sustainability Funding FY 17-18
- 2) Fund Development - Special Member Fee FY 16-17
- 3) State Hospital Program FY 17-18
- 4) Central Valley Suicide Prevention Hotline.

If you have yet to submit your Annual Member Funding form, then your invoice related to Phase III PEI Sustainability may reflect an amount different than what you may have budgeted for or have approval for.

If this is the case and you would like to change it and/or have additionally questions, please feel free to contact me at (916) 859-4818 or [laura.li@calmhsa.org](mailto:laura.li@calmhsa.org).

**May 3, 2017**

Subject: CalMHSA Annual Program Funding – Response Requested  
Good Afternoon Name and Name CalMHSA Board Members,

In response to your great input we have prepared an “All Inclusive” Annual Member Contribution Document.

Please review and complete the attachment and return to us as soon as possible (**response target is May 20th, 2017**). Your responses with projected amounts will greatly assist CalMHSA in preparing, for your approval, the most complete and accurate Annual Budget for FY17/18. These estimates have been based on CalMHSA board action and direction.

We are sending this to you now since most FY17/18 county BH budgets have either been started or completed at this time. We understand that your local Board of Supervisors makes each county members’ the final funding determination, as such it is critical we receive your intended member contribution to CalMHSA. The fiscal integrity of CalMHSA and each program you participate in is dependent upon this timely and accurately submitted data.

Thank you for reviewing and submitting this back to us in a timely. If you have questions please contact me or Laura Li at [laura.li@calmhsa.org](mailto:laura.li@calmhsa.org) or (916) 859-4818.

Thank you for continuing to support your Joint Powers Authority!



## **Agenda Item 4**

### **SUBJECT: SUSTAINABILITY TASK FORCE REPORT: CONSIDERATION OF CONTRACTS FOR FY 18/19 PHASE III STATEWIDE PEI PROJECT**

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#### **ACTION FOR CONSIDERATION:**

Approve Sustainability Task Force recommendation to extend and amend FY 17/18 Phase III Statewide PEI Project contracts for implementation of the Phase III Statewide PEI Project in FY 18/19, based on available funding.

#### **BACKGROUND AND STATUS:**

In December 2016, the CalMHSA Board approved the Statewide PEI Project Phase III Implementation Plan, which outlined a series of strategies and activities for implementation between July 1, 2017 through June 30<sup>th</sup>, 2020. In April 2017, The CalMHSA Board approved extending and amending, as well as sole-sourcing with two previous subcontractors, for the implementation of the first year of activities in FY 17/18. These contractors are: RSE; The Social Changery; Your Social Marketer; Each Mind Matters Outreach & Engagement; Active Minds; NAMI California; Foundation for California Community Colleges; and the RAND Corporation.

As CalMHSA prepares to implement the second year of the Phase III Implementation Plan in FY 18/19, it must consider which contractors to partner with to continue current activities. CalMHSA staff and the Sustainability Task Force recommends to extend and amend current FY 17/18 Phase III Statewide PEI Project contracts for implementation of the Phase III Statewide PEI Project in FY 18/19 for the following reasons:

1. Current contractors have deep and historical knowledge about all activities implemented under the Statewide PEI Project, which is critical to effectively convey information to community partners during outreach efforts, a key component of the Statewide PEI Project
2. It is more cost effective and cost efficient to extend and amend current contracts, compared to the administrative efforts needed to develop RFPs and review applications.
3. As part of the Private Fund Development Project, CalMHSA continues to explore the formation of a leadership council, which will provide further guidance in the development and funding of the Statewide PEI Project and other CalMHSA activities. The Sustainability Task Force believes that undergoing a new procurement process for potential new contractors during this interim period would be premature.

The Sustainability Task Force believes that the most opportune time to develop RFPs and procure new contractors for the Statewide PEI Project would be after the leadership council is developed and CalMHSA receives further guidance from them, or at the conclusion of the Phase III Implementation Plan, as CalMHSA plans for Phase IV of the Statewide PEI Project, whichever comes first.



**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Approve Sustainability Task Force recommendation to extend and amend FY 17/18 Phase III Statewide PEI Project contracts for implementation of the Phase III Statewide PEI Project in FY 18/19, based on available funding.

**TYPE OF VOTE REQUIRED:**

Majority vote of the Executive Committee.

**REFERENCE MATERIAL(S) ATTACHED:**

- None.

## **Agenda Item 5**

### **SUBJECT: FUND DEVELOPMENT (LCG) – LEADERSHIP COUNCIL**

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#### **ACTION FOR CONSIDERATION:**

Provide direction on solutions.

#### **BACKGROUND AND STATUS:**

At the October 13, 2016 CalMHSA Board Meeting, the board approved a sole source contract with Lester Consulting Group (LCG) for the purpose of a three-year fund development effort, commencing FY 16-17. In addition, it was agreed that it would be necessary to have all counties, fiscal participation, in the amount of \$500,000 per fiscal year, which would be reached via a special member fee. (see attached)

Per Board Direction, counties were billed in December 2016 for 2016-17 and again with the annual invoice from the approved Budget. Since those billings, CalMHSA has received less than full financial support, in order to reach the annual funding needs of \$500,000 per year. This has resulted in an inadequate funding stream for the project. Summary of participation and funding as follows:

**FY16-17** – 42 member participation with \$ 235,232 funds received. Uncollected balance of \$264,768, or 53%

**FY17-18** – 36 member participation with \$ 236,888 funds received, therefore leaving an uncollected balance of \$263,112, or 53%.

*(Los Angeles is expected to fund at \$142,548 per year, for three years, commencing FY 16-17. Upon receipt of two years of funding from Los Angeles the composite funding for both years will reach \$752,778. The uncollected balance will be \$247,222, or 25%)*

#### **Challenge**

It was determined, that to be successful in this fund development effort, not only would a special member fee be imposed during this pre-campaign effort, but it also required member's commitment to sustain the CalMHSA Statewide PEI project to meet the leveraged amount of \$10-15 million dollars per fiscal year, in an effort to secure private funding at an equal or greater level.

Funds collected will meet the anticipated expenditures through January 31, 2018. If funds from Los Angeles are received we are funded through May 31, 2018. Additionally, staff reviewed the estimated annual funding need of \$500,000 to determine if any reductions were possible. The result of which, is the funding need is still accurate without sacrificing program goals.

#### **Possible Solutions to the Challenge**

1. Finance Committee authorize staff to loan cash from Operations for Fund Development until Los Angeles submits payment to CalMHSA, and/or

2. Continue to pursue counties in greater participation, and/or
3. Continue to pursue bridge funding from grants (efforts to date have not been launched), and/or
4. Recalculate the annual funding needs, such that the \$500,000 is solely funded by those counties participating. Re-calculate the annual expenditure to meet revenues received and obligated. CalMHSA to continue to invoice those members for the accounts receivable. Raise the issue of which counties will benefit from eventual in-coming private funding stream, and/or
5. Re-evaluate the program objectives, timelines, and contracts.

### **Update on Program**

A Leadership Council is being formed for the purpose of serving in an advisory capacity to CalMHSA's Board of Directors and management regarding CalMHSA's efforts related to:

- Informing public mental health policies and implementing best practices to advance California's knowledge, attitudes and behaviors for improved emotional well-being and early detection of mental illness;
- Promoting a more integrated care delivery model by identifying existing problems across systems and designing innovative solutions that improve access to appropriate levels of intervention and treatment, and mental health promotion;
- Securing and distributing funding for strategies impacting needs along the mental health continuum from Prevention and Early Intervention to Treatment.

We will be convening the first lunch meeting of this Leadership Council, on January 18, 2018, to confirm the interest of these leaders who will serve for an initial term of six meetings over twelve months. Individuals are highly regarded business and community leaders occupying positions as the chief executive and senior leadership levels within their corporation or organization. Members have indicated a personal or professional interest in CalMHSA's mission and have a willing to serve as an ambassador for the mission of CalMHSA.

It is anticipated there will be interest from these individuals to support our efforts with source funding.

### **FISCAL IMPACT:**

Potential impact May 31, 2018

### **RECOMMENDATION:**

Provide direction on solutions.

**TYPE OF VOTE REQUIRED:**

Majority vote of the Executive Committee

**REFERENCE MATERIAL(S) ATTACHED:**

- Initial Budget
- Revised Fee Allocation – Includes counties having funded at minimum 1 year

**Lester Consulting Group Cost Projections for CalMHS  
Leadership Council (years 1 and 2) and  
Campaign Launch (year 3)**

Projected Cost*	Year 1	Year 2	Year 3
	Research prospects, Refine Messaging, Build systems, Engage partners	Engage Partners & Secure Seed Money	Pre-Campaign & Campaign
Personnel (0.5 FTE Executive Director, 1.0 FTE Admin year 1 & 2; 0.5 FTE development staff added year 3)	\$180,000	\$180,000	\$230,000
Personnel Benefits	\$54,000	\$54,000	\$69,000
Fundraising Counsel	\$180,000	\$180,000	\$180,000
Database (20,000 - 100,000 records)	\$6,000	\$6,000	\$6,000
Travel	\$25,200	\$25,704	\$26,218
Meetings	\$16,000	\$16,000	\$12,000
Materials/Communication**	\$5,800	\$55,800	\$5,800
<i>Total estimated</i>	<i>\$467,000</i>	<i>\$517,504</i>	<i>\$523,218</i>

\*These projections do not include Each Mind Matters public awareness expenses, which are important to Leadership Council engagement in addition to being a vital element of PEI. Also assumes CalMHS facilities are available to staff assigned to the Leadership Council.

\*\* Materials/Communication in Year 2 includes a professionally produced fundraising video for campaign.

**COST PROJECTION ASSUMPTIONS:**

***Database Projection:* \$6,000**

Donor Perfect 25K records = \$3,168/year

Salsa CRM 25K records = \$2,818/year

eTapestry 20K records = \$4,788/year

Neon 25K records = \$6,600/year

***Travel & Hotel Projection:* \$25,200**

\$600/trip x 3.5 trips/month = \$2,100/month

***Meetings:* \$16,000**

Meetings Food @ \$25/person x 30 members x 12  
months = \$9,000

Briefings Food @ \$20/person x 50 briefings/year =  
\$1,000

Meeting location \$500/month = \$6,000/year

***Materials/Communication:* \$5,800**

Meeting packets \$5/person x 30 members  
x 12 months = \$1,800

Note cards & postage

Folders with pockets

Letterhead

Video (year 2) = \$50,000

**PRIVATE FUND DEVELOPMENT - ALLOCATIONS/COLLECTIONS**

<b>County</b>	<b>Initial Fee Allocation</b>	<b>FY 16/17 Paid</b>	<b>FY 17/18 Paid</b>	<b>Reallocation</b>	<b>Reallocation Difference</b>
Alameda	\$ 17,843.49	\$ 17,843.49	\$ 17,843.49	\$20,652	\$ 2,808.74
Alpine *	\$ 393.98	\$ 393.98	\$ 393.98	\$456	\$ 62.02
Amador	\$ 755.51	\$ 755.51	\$ 755.51	\$874	\$ 118.92
City of Berkeley	\$ 1,514.27			\$1,753	\$ 238.36
Butte	\$ 2,892.70	\$ 2,892.70	\$ 2,892.70	\$3,348	\$ 455.34
Colusa	\$ 666.60	\$ 666.60	\$ 666.60	\$772	\$ 104.93
Contra Costa	\$ 11,432.50	\$ 11,432.50	\$ 11,432.50	\$13,232	\$ 1,799.59
El Dorado	\$ 2,008.79	\$ 2,008.79	\$ 2,008.79	\$2,325	\$ 316.20
Fresno	\$ 12,453.33	\$ 12,453.33	\$ 12,453.33	\$14,414	\$ 1,960.28
Glenn	\$ 717.63	\$ 717.63	\$ 717.63	\$831	\$ 112.96
Humboldt	\$ 1,786.69		\$ 1,786.69	\$2,068	\$ 281.24
Imperial	\$ 2,468.76	\$ 2,468.76	\$ 2,468.76	\$2,857	\$ 388.61
Inyo	\$ 477.96	\$ 478.00		\$553	\$ 75.24
Kern	\$ 10,763.94	\$ 10,763.94	\$ 10,763.94	\$12,458	\$ 1,694.35
Kings	\$ 2,065.66	\$ 2,065.66		\$2,391	\$ 325.16
Lake	\$ 1,005.74	\$ 1,005.74	\$ 1,005.74	\$1,164	\$ 158.31
Lassen	\$ 704.82	\$ 704.82	\$ 704.82	\$816	\$ 110.95
Los Angeles	\$ 142,547.78			\$164,986	\$ 22,438.45
Marin	\$ 2,832.66	\$ 2,832.66	\$ 2,832.66	\$3,279	\$ 445.89
Mendocino	\$ 1,228.21	\$ 1,228.00		\$1,422	\$ 193.33
Merced	\$ 3,692.67	\$ 3,692.67	\$ 3,692.67	\$4,274	\$ 581.26
Modoc	\$ 439.67	\$ 439.67	\$ 439.67	\$509	\$ 69.21
Monterey	\$ 5,865.62	\$ 5,865.62	\$ 5,865.62	\$6,789	\$ 923.31
Napa	\$ 1,660.04	\$ 1,660.04	\$ 1,660.04	\$1,921	\$ 261.31
Nevada	\$ 1,327.75	\$ 1,327.75		\$1,537	\$ 209.00
Orange	\$ 40,799.47		\$ 40,799.00	\$47,222	\$ 6,422.24
Placer	\$ 3,494.98	\$ 3,494.98	\$ 3,494.98	\$4,045	\$ 550.14
Plumas	\$ 641.78	\$ 641.78	\$ 641.78	\$743	\$ 101.02
Sacramento	\$ 16,312.39	\$ 16,312.39	\$ 16,312.39	\$18,880	\$ 2,567.73
San Benito	\$ 954.20	\$ 954.20	\$ 954.20	\$1,104	\$ 150.20
San Bernardino	\$ 26,675.90	\$ 26,675.90	\$ 26,675.90	\$30,875	\$ 4,199.05
San Diego	\$ 40,961.18	\$ 40,961.18		\$47,409	\$ 6,447.70
San Joaquin	\$ 8,561.85	\$ 8,561.85	\$ 8,561.85	\$9,910	\$ 1,347.72
San Luis Obispo	\$ 3,377.65	\$ 3,377.65	\$ 3,377.65	\$3,909	\$ 531.68
San Mateo	\$ 8,190.29	\$ 8,190.29	\$ 8,190.29	\$9,480	\$ 1,289.23
Santa Clara	\$ 22,743.70	\$ 22,743.70	\$ 22,743.70	\$26,324	\$ 3,580.09
Solano	\$ 4,991.89			\$5,778	\$ 785.77
Sonoma	\$ 5,672.86	\$ 5,672.86	\$ 5,672.86	\$6,566	\$ 892.96
Stanislaus	\$ 6,506.04	\$ 6,506.04	\$ 6,506.04	\$7,530	\$ 1,024.12
Sutter/Yuba	\$ 2,243.30	\$ 2,243.30	\$ 2,243.30	\$2,596	\$ 353.12
Tri-City	\$ 2,818.53	\$ 2,818.53	\$ 2,818.53	\$3,262	\$ 443.66
Trinity	\$ 462.70	\$ 462.70	\$ 462.70	\$536	\$ 72.83
Tulare	\$ 6,137.87	\$ 6,137.87	\$ 6,137.87	\$7,104	\$ 966.16
Tuolumne	\$ 905.73	\$ 905.73	\$ 905.73	\$1,048	\$ 142.57
<b>Total</b>	<b>\$ 431,999.00</b>	<b>\$ 240,358.76</b>	<b>\$ 236,883.86</b>	<b>\$500,000</b>	<b>\$ 68,000.96</b>

\*None Member County

## **Agenda Item 6**

### **SUBJECT: CALMHSA ANNUAL REVENUE AND EXPENDITURE REPORT – JANUARY 2018 REVISE BUDGET JUNE 30, 2018**

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#### **ACTION FOR CONSIDERATION:**

- Executive Committee to discuss and/or recommend to the Board of Directors the CalMHSA Revenue and Expenditure Report – January 2018 Revise Budget June 30, 2018; and
- Executive Committee ratification of the George Hills Contract increase of 2.4 FTE.

#### **BACKGROUND AND STATUS:**

At the October 12, 2017 Board of Directors meeting, the members approved the revised budget which included Los Angeles estimated participation for year ending June 30, 2018. An additional revision is presented with the following:

1. \$50 million in revenue added for Innovations Tech Suite Program and AB1299 program
2. \$206,000 additional expenses for 2.4 FTE of program and general and administrative staffing.
3. Additional operating expenses related to programs.

As such, staff is proposing a revised budget reflecting an increase in revenue of \$49.9 million, increased expenses of \$7.5 million, and increase to obligated reserves of \$42.4 million at June 30, 2018.

#### **FISCAL IMPACT:**

Increase to obligated reserves of \$42.4 million.

#### **RECOMMENDATION:**

- Executive Committee to discuss and/or recommend to the Board of Directors the CalMHSA Revenue and Expenditure Report – January 2018 Revise Budget June 30, 2018; and
- Executive Committee ratification of the George Hills Contract increase of 2.4 FTE.

#### **TYPE OF VOTE REQUIRED:**

Majority vote.

**REFERENCE MATERIALS ATTACHED:**

- CalMHSA Annual Revenue and Expenditure Report – January 2018 Revise Budget June 30, 2018



# California Mental Health Services Authority

## January 2018 Revise - 2017/2018 Operating Budget Combined Totals

	(A)	(B)	(C)	(D)	(E)	(F)
	Approved Budget 2016/2017	Unaudited Actuals 2016/2017	Adopted Budget 2017/2018	Adopted Revised Budget 2017/2018	Proposed Revisions 2017/2018	Proposed Revised Budget 2017/2018
<b>Revenues:</b>						
PEI Sustainability	6,423,162	5,437,065	5,160,037	7,730,037		7,730,037
Innovations Technology Suite					50,000,000	50,000,000
Private Fund Development Fees	500,000	448,230	500,005	500,005	(64,796)	435,209
State Hospital Bed Program		550,802	627,912	627,912		627,912
Suicide Prevention Program		636,375	636,375	636,375		636,375
Sutter Health		250,000				-
Other Programs		49,184		300,000		300,000
Licence Royalty Fee		600	0			-
<b>Total Revenues</b>	<b>6,923,162</b>	<b>7,372,256</b>	<b>6,924,329</b>	<b>9,701,788</b>	<b>49,935,204</b>	<b>59,636,992</b>
	1					
<b>Program Expenses:</b>						
Program Contracts	9,091,198	6,272,163	5,184,070	7,483,586	7,250,000	14,733,586
Program Management	1,072,399	1,172,284	1,269,742	1,565,058	12,289	1,577,347
Other Contracts		70,676	35,000	35,000	21,000	56,000
Legal	28,952	168,467	28,952	28,952	6,000	34,952
Travel & Meetings	35,000	38,679	70,000	85,000	19,900	104,900
<b>Total Program Expenses</b>	<b>10,227,549</b>	<b>7,722,269</b>	<b>6,587,764</b>	<b>9,197,596</b>	<b>7,309,189</b>	<b>16,506,785</b>
					(2)	
<b>General &amp; Administrative Expenses:</b>						
General & Administrative						
Staffing	584,945	592,412	593,834	648,582	193,630	842,213
Legal	10,000	23,218	10,000	10,000	-	10,000
Travel & Meetings	66,000	42,922	16,000	16,000	-	16,000
Other Contracts	45,000	30,360	10,000	10,000	-	10,000
Insurance	30,000	29,920	37,000	37,000	2,500	39,500
Financial Audit	15,000	0	15,000	15,000	2,500	17,500
<b>Total General &amp; Administrative Expenses</b>	<b>750,945</b>	<b>718,832</b>	<b>681,834</b>	<b>736,582</b>	<b>198,630</b>	<b>935,213</b>
					(2)	
<b>Total Expenditures</b>	<b>10,978,494</b>	<b>8,441,101</b>	<b>7,269,598</b>	<b>9,934,178</b>	<b>7,507,819</b>	<b>17,441,997</b>
<b>Net Increase/(Decrease) Unexpended Funds</b>	<b>(4,055,332)</b>	<b>(1,068,845)</b>	<b>(345,269)</b>	<b>(232,390)</b>	<b>42,427,385</b>	<b>42,194,995</b>
Prior Year Reserves	6,491,784	6,490,797	2,648,099	5,421,953		5,421,953
Projected Reserves as of June 30	2,436,452	5,421,952	2,302,830	5,189,563		47,616,948
<b>Less: Obligated Reserves</b>	<b>(2,343,350)</b>	<b>(5,171,854)</b>	<b>(2,191,000)</b>	<b>(5,164,954)</b>		<b>(47,564,954)</b>
<b>Total Available Reserves at June 30, 2018</b>	<b>93,102</b>	<b>250,098</b>	<b>111,830</b>	<b>24,609</b>		<b>51,994</b>

**California Mental Health Services Authority**  
**Administrative Expense Allocation**  
2017/2018 Program Year  
**Proposed Revised Budget**

	Private Fund Development	Tech Asst/Capacity Building	WET Program Funding	Fiscal Modernization	State Hospital Bed Program	Suicide Prevention - Regional Program	PEI Sustainability Projects	Innovations Tech Suite	Totals	Percent of Total Expenses
<b>Direct Expenses:</b>										
Program Contracts	\$ 200,000	\$ 165,227	\$ 148,470	\$ 36,500	\$ 471,049	\$ 462,340	\$ 6,000,000	7,250,000	\$ 14,733,586	84.47%
Program Management - Direct	269,755	32,947		45,302	282,110	45,302	696,010	205,920	1,577,347	9.04%
Other Contracts	15,000						20,000	21,000	56,000	0.32%
Legal				500	5,000		23,452	6,000	34,952	0.20%
Travel & Meetings	50,000				5,000		30,000	19,900	104,900	0.60%
										0.00%
<b>Total Direct Expenses</b>	<b>534,755</b>	<b>198,174</b>	<b>148,470</b>	<b>82,302</b>	<b>763,159</b>	<b>507,642</b>	<b>6,769,462</b>	<b>7,502,820</b>	<b>16,506,785</b>	<b>94.64%</b>
<b>General &amp; Administrative:</b>										
General & Administrative										
Staffing	34,431	4,205	-	5,782	36,008	5,782	504,482	251,521	842,213	4.83%
Legal	623	288	-	175	2,454	348	6,112		10,000	0.06%
Travel & Meetings	996	460	-	281	3,927	556	9,780		16,000	0.09%
Other Contracts	623	288	-	175	2,454	348	6,112		10,000	0.06%
Insurance	2,304	1,064	-	649	9,081	1,286	22,615	2,500	39,500	0.23%
Financial Audit	934	432	-	263	3,681	521	9,168	2,500	17,500	0.10%
<b>Total Indirect Expenses</b>	<b>39,911</b>	<b>6,737</b>	<b>-</b>	<b>7,327</b>	<b>57,606</b>	<b>8,841</b>	<b>558,270</b>	<b>256,521</b>	<b>935,213</b>	<b>5.36%</b>
<b>Total Expenditures</b>	<b>\$ 574,667</b>	<b>\$ 204,911</b>	<b>\$ 148,470</b>	<b>\$ 89,629</b>	<b>\$ 820,766</b>	<b>\$ 516,484</b>	<b>\$ 7,327,731</b>	<b>\$ 7,759,341</b>	<b>\$ 17,441,998</b>	<b>100.00%</b>

## **Agenda Item 7**

### **SUBJECT: EXECUTIVE DIRECTOR EVALUATION AND CONTRACT RENEWAL**

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#### **ACTION FOR CONSIDERATION:**

1. Executive Committee to provide direction on the process for the renewal of the Executive Director Contract, realizing there is a provision for automatic renewal in the Agreement, or express their desire to renegotiate the contract.
2. Affirmation of current process of Performance Evaluation for the Executive Director, and/or direction if a new process is preferred.

#### **BACKGROUND AND STATUS:**

***Executive Director Contract*** - On March 4, 2015, CalMHSA entered into an Agreement with George Hills Company for the purpose of obtaining services of an Executive Director. As such, a contract was executed and Dr. Wayne Clark was identified as the Executive Director serving CalMHSA.

The contract termination date is set for June 30, 2018, with automatic annual renewals until such time as the Board elects to terminate the appointment of the Executive Director or the Agreement. *(See page 5, section H. of the Agreement)*

The Employment Agreement is deemed to be automatically renewed unless written notice of termination is received by the Executive Director no less than sixty (60) days prior to the date on which the contract, or any extension thereof, would otherwise expire. The Board has the ability to renew the Agreement and/or express their desire to re-negotiate, in writing, sixty days prior to the termination date (June 30, 2018).

***Executive Director Performance Evaluation*** - Per the CalMHSA-GHC Agreement, the Executive Director is subject to a Performance Evaluation by the CalMHSA Board, on an annual basis commencing March 1, 2016.

Since the execution of the Agreement for Executive Director services, there have been two performance evaluations. The evaluation is based on seven pre-determined criteria, identified in Exhibit B or the contract, with results needing to meet "meets expectations" requirement before corrective action is considered.

Current Evaluation Process:

1. In February of each year an evaluation template, which includes scores and room for comments, is developed and sent to the CalMHSA President.

2. President will distribute the evaluation tool to the Executive Committee and CalMHSA Executive Staff for completion and returning to the President.
3. Upon receiving all submittals and comments, the scores are averaged to develop what becomes the final Performance Evaluation score with comments.
4. The President shares the final Evaluation results with the Executive Director and CalMHSA Board.

Staff seeks affirmation of current process and/or direction if a new process is preferred.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

1. Executive Committee to provide direction on the process for the renewal of the Executive Director Contract, realizing there is a provision for automatic renewal in the Agreement, or express their desire to renegotiate the contract.
2. Affirmation of current process of Performance Evaluation for the Executive Director, and/or direction if a new process is preferred.

**TYPE OF VOTE REQUIRED:**

Majority vote.

**REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA – GHC Agreement for Executive Director Services

## CalMHSA/GHC EXECUTIVE DIRECTOR AGREEMENT

This CalMHSA/GHC Executive Director Agreement ("Agreement") is made by and between the California Mental Health Services Authority (CalMHSA) and the George Hills Company (GHC). Dated as of January 31, 2015, however is effective as of March 4, 2015.

### **RECITALS**

This Agreement is entered into with reference to the following facts and circumstances:

1. CalMHSA is a California Joint Powers Authority organized under the Joint Exercise of Powers Act (Gov. Code, § 6500 et seq.)
2. CalMHSA currently has a successful contract with GHC to provide fiscal and administrative services. Under that contract, GHC employs staff to operate CalMHSA, and provides payroll, benefits, operational support, administrative support, and supervision.
3. CalMHSA wishes to obtain the services of an Executive Director to provide strategic direction and fund development, who will work for, report to and be evaluated by CalMHSA's Board and who will assume supervisory authority over CalMHSA staff functions provided by GHC; but who will be employed by GHC and provided with wages, benefits, operational support, and administrative support by GHC with funding provided by this contract.
4. The parties have agreed that the most efficient way to address conflict of interest concerns, and accommodate CalMHSA's needs is for the Executive Director to be an employee of GHC pursuant to an agreement by which GHC expressly yields to CalMHSA discretionary management, the right to evaluate, and the right to control the Executive Director.
5. The contractual relationship between GHC and CalMHSA for the services of the executive Director of CalMHSA is designed to state clear delineations for transparency and conflict-free business practices. The first safeguard is the character of the individuals involved, in that the persons involved are ethical professionals in their field, having so acted in the past and being expected to continue doing so.
6. Therefore, in consideration of these facts and of the mutual promises and covenants stated below, the parties agree as follows:

#### **A. Rights and Obligations of GHC**

1. Employment of Executive Director
  - a. GHC agrees to employ the Executive Director appointed by CalMHSA's board, and to provide the Executive Director benefits consistent with those offered to other GHC employees pursuant to an employment agreement ("Employment Agreement"),
  - b. GHC will provide the Executive Director with operational support consistent with the Executive Director's duties including providing office supplies; providing, configuring and maintaining computers, telephones, email, network access, software, etc.

- c. GHC will provide the Executive Director with administrative support of up to 0.5 FTE to assist with travel arrangements, expense reimbursement, scheduling, formal correspondence, recordkeeping, etc.
2. Termination of Executive Director's Employment as Executive Director
    - a. GHC will not terminate the Executive Director's employment except upon termination of this Agreement, or for good cause as defined in the Employment Agreement between GHC and the Executive Director or in this Agreement.
    - b. Good cause in the context of this Agreement is defined to include a "continuing failure of performance" as defined in Section C. 1. B) of this Agreement.
    - c. The Executive Director's employment pursuant to the Employment Agreement shall not be terminated upon less than 60 days' notice by the terminating party to CalMHSA's Board or Executive Committee, to GHC, and to the Executive Director, unless the termination is on the basis of GHC's good faith determination, after reasonable investigation, that the Executive Director has engaged in conduct that poses a substantial risk of legal liability or significant financial loss to GHC if the Executive Director's employment is continued.
    - d. Any notice of termination of this Agreement by GHC shall be written. Such notice shall not be effective until provided to both the Executive Director and the president of CalMHSA's Board.
    - e. Any notice of termination of this Agreement by CalMHSA shall be written. Such notice shall not be effective until provided to both the Executive Director and Chief Executive Officer of GHC.
    - f. Unless the Executive Director's employment has been properly terminated consistent with the provisions of this Agreement, GHC shall not fail to pay the Executive Director's agreed-upon salary and benefits.
    - g. If GHC's termination of the Executive Director's employment is for cause as defined in the Employment Agreement between GHC and the Executive Director, GHC may suspend and deny access to the Executive Director to GHC's facilities, but shall continue to provide wages and benefits to the Executive Director pursuant to this contract during the remainder of the notice period.
    - h. The Executive Director's status as such is not terminated by separation from GHC, and upon any termination by GHC the CalMHSA Board or Executive Committee may make other arrangements for employment of the Executive Director.
  3. Employee of GHC
    - a. The Executive Director's status as an employee of GHC shall not be terminated automatically when this agreement between GHC and CalMHSA is terminated. Both parties recognize that, in the event that CalMHSA terminates the Executive Director's status as such, the Executive Director may remain an employee of GHC unless GHC expressly terminates that employment status pursuant to the terms of the Employment Agreement between GHC and the Executive Director.
    - b. The particular details of the compensation and benefits to be provided to the Executive Director are subject to negotiation between the Executive Director and GHC, and CalMHSA shall not set such terms. However, in no event will CalMHSA pay more than the

maximum stated in Exhibit A for employment of the Executive Director and the administrative support staff (0.5 FTE) dedicated to support of the Executive Director as provided for in this agreement.

**B. Rights and Obligations of CalMHSA**

1. Control of Executive Director

- a. CalMHSA will appoint and exercise exclusive direction and control of the Executive Director.
- b. CalMHSA shall have the right to make other arrangements for the employment of its Executive Director and to terminate this Agreement as provided below.
- c. The Executive Director, and other CalMHSA staff employed by GHC, shall be under the direction of the Executive Director as to the performance of their duties, but not as to wages, benefits, expense reimbursement, office hours and access, and other personnel matters generally applicable to all employees.
- d. CalMHSA will make payment to GHC for services under this agreement consistent with the Schedule in Exhibit A.
- e. The Executive Director will be employed by GHC and the particular details of the compensation and benefits to be provided to the Executive Director are subject to negotiation solely between the Executive Director and GHC. However, after negotiations are complete GHC shall disclose the salary, benefit cost, and overhead to CalMHSA's officers upon request.

2. Conflicts

In the event that the Executive Director reports a conflict with GHC to the President of CalMHSA's Board, and the President is not able to resolve the issue with GHC informally, CalMHSA's Board or Executive Committee may take any step to resolve the issue up to and including replacement of the COO or termination of this Agreement and the related Executive Director Employment Agreement.

3. Funding

In the event that funding from counties, the state, or other sources fails to meet the level that allows CalMHSA to honor this contract and remain solvent, this contract may be cancelled by CalMHSA without further obligation, except for the obligation to pay the severance package to the Executive Director as set forth herein. In addition, the parties will review the budget for this Agreement annually at the time that CalMHSA adopts its budget and may renegotiate its financial provisions after such review.

**C. Services to Be Provided by and Responsibilities of the Executive Director Employed by GHC**

1. Employment Agreement with Executive Director

Provisions substantially similar to the following will be incorporated in the employment agreement between GHC and the Executive Director:

- a. The Executive Director shall take direction from CalMHSA's Board on all matters, but shall collaborate and coordinate with GHC on any matters necessary to improve the efficiency and effectiveness of CalMHSA's purpose and functions
- b. The Executive Director's performance will be subject to evaluation by CalMHSA's Board, and not GHC. That evaluation will be based on the seven criteria listed in Exhibit B. CalMHSA agrees to evaluate the Executive Director at least annually with the first annual review to be conducted on or about March 1, 2016.
  - i. In the event that Executive Director receives an overall rating which is lower than "meets expectations," Executive Director shall have two months to raise his performance. CalMHSA will perform a further evaluation two months after the aforementioned unsatisfactory evaluation. In the event that this further evaluation shows that the Executive Director has an overall rating which is lower than "meets expectations," this shall constitute a "continuing failure of performance."
  - ii. In the event that Executive Director receives a rating in two or more of the seven categories, which is lower than "meets expectations," Executive Director shall have two months to raise his performance. CalMHSA will perform a further evaluation two months after the aforementioned unsatisfactory evaluations. In the event this further evaluation shows that the Executive Director has a rating in the aforementioned categories which is lower than "meets expectations," this shall constitute a "continuing failure of performance."
  - iii. A "continuing failure of performance" shall constitute sufficient cause, in and of itself, for either GHC or CalMHSA to terminate the Executive Director's status as Executive Director upon sixty (60) days written notice to the Executive Director.
- c. CalMHSA will provide GHC a written copy of all performance evaluations given to the Executive Director within three (3) days of presenting those evaluations to the Executive Director.
- d. The Executive Director shall be the chief administrator of CalMHSA, with a job description substantially similar to that specified in Exhibit C.
- e. The Executive Director will provide oversight and direction to GHC professional staff providing contracted services to CalMHSA, including Program Director, Finance Director, and Chief of Operations.
- f. The Executive Director shall comply with GHC's personnel manual to the extent not incompatible with this agreement or the Employment Agreement.
- g. In the event that the Executive Director believes a GHC policy, procedure, rule or instruction interferes with performance of the Executive Director's duties, the Executive Director shall first address the issue with GHC's Chief Executive Officer, and if that does not satisfactorily resolve the issue the Executive Director shall notify the President of CalMHSA's Board.



- h. The Employment Agreement shall include a termination date of June 30, 2018, with automatic annual renewals until such time as the Board elects to terminate the appointment of the Executive Director or this Agreement is terminated. The Employment Agreement will be deemed to be automatically renewed unless written notice of termination is received by the Executive Director no less than sixty (60) days prior to the date on which the contract, or any extension thereof, would otherwise expire.
- i. The Employment Agreement shall include a severance package, the cost of which will be borne by CalMHSA, and shall be due and payable to the Executive Director if CalMHSA or GHC terminates the Executive Director's status before June 30, 2018 without good cause as defined herein, providing for payment of salary and benefits for the lesser of three months or the remaining period before the June 30, 2018 expiration of the Employment Agreement. The Employment Agreement shall provide that payment of the severance package may be made in no more than three equal monthly installments, conditioned on the former Executive Director's compliance with non-disparagement and confidentiality provisions as to CalMHSA and GHC.
- j. The Employment Agreement between GHC and the Executive Director shall state that the Executive Director acknowledges that GHC is exclusively responsible for wages, salary, vacation pay, leave, benefits, retirement, non-program expense reimbursement, and any other obligation arising out of the employment relationship, all of which shall be funded from within the budget limits stated in Exhibit A.

2. Arbitration of Disputes with Executive Director

The Employment Agreement shall include a provision that any disputes arising out of the contract with GHC or out of this Agreement shall be resolved by binding arbitration governed by the terms of Title 9 of the Code of Civil Procedure (§1280 et seq.).

3. Effect of Insolvency

The Employment Agreement between GHC and the Executive Director may contain a budget contingency provision stating that in the event that funding from counties, the state, or other sources fails to meet the level that allows CalMHSA to honor this contract and remain solvent, the Executive Director's Employment Agreement may be cancelled or renegotiated without further obligation, except for the obligation to pay the severance package to the Executive Director as set forth herein.

**D. General Provisions**

1. Controlling Effect of Document

To the extent this agreement conflicts with GHC's contract to provide fiscal and administrative services, this agreement will control.

2. Term of Agreement

This Agreement will remain in force until June 30, 2018, and will renew automatically for consecutive one year periods unless terminated by the parties as provided in this agreement. This agreement will be deemed to be automatically renewed unless written notice of termination is

received by the other party and the Executive Director no less than sixty (60) days prior to the date on which the contract, or any extension thereof, would otherwise expire.

3. Termination of Agreement

- a. This Agreement will automatically terminate if the previously existing contract between GHC and CalMHSA terminates, or upon the filing of bankruptcy or insolvency proceedings by either party.
- b. This Agreement may be terminated by either party on 60 days' written notice with or without cause, to the other party and to the Executive Director.
- c. Termination of this agreement as set forth in this paragraph 3 shall not terminate the duties and obligations of the parties to the Executive Director, including but not limited to payment of the severance package, as provided by this Agreement.

4. Insurance

- a. The parties will each maintain general and automobile liability coverage that applies to the acts of agents and employees within the scope of their duties for the party.
- b. GHC agrees to maintain workers' compensation insurance for any and all employees performing work for CalMHSA, including the Executive Director, so that, if required, CalMHSA will also be considered to have secured payment of compensation for such employees as provided in subd. (d) of section 3602 of the Labor Code.

5. Indemnity

- a. GHC will indemnify CalMHSA, and hold it harmless, from any claim, demand or liability that results from any breach by GHC or the Executive Director of this agreement. GHC's indemnity obligations will arise if it is established that CalMHSA is liable, in whole or in part, for any act which constitutes a breach of this contract by GHC or the Executive Director. Additionally, GHC's liability will only arise to the extent and in proportion to the extent such claim, demand, or liability are caused by or are the result of a breach by GHC of the terms of this agreement.
- b. CalMHSA will indemnify GHC and the Executive Director, and hold each harmless, from any claim, demand or liability that results from any breach by CalMHSA of this agreement. CalMHSA's indemnity obligations will arise if it is established that GHC or the Executive Director is liable, in whole or in part, for any act which constitutes a breach of this contract by CalMHSA. Additionally, CalMHSA's liability will only arise to the extent and in proportion to the extent such claim, demand, or liability are caused by or are the result of a breach by GHC or the Executive Director of the terms of this agreement.
- c. The parties agree that this indemnity provision shall not require either party to defend the other on an ongoing basis. Instead, the parties agree that the indemnitor's obligation to reimburse the indemnitee for its defense fees and costs shall apply only if to the extent and in proportion to the extent that the claim, demand or liability were caused by or were the result of the indemnitor's breach of the terms of this agreement.

6. CalMHSA Board

References in this agreement to CalMHSA's Board shall be understood to include reference to CalMHSA's Executive Committee except to the extent that such provision would be incompatible with CalMHSA's Joint Exercise of Powers Agreement or Bylaws.

7. Disputes Concerning This Agreement

- a. In the event of a dispute arising out of this agreement between GHC and CalMHSA, GHC's Chief Executive Officer or designee, the Executive Director, and CalMHSA's Board President or designee shall meet and confer and attempt to reach agreement. If there is a failure to reach agreement, either the President or GHC's CEO may ask for the issue to be considered by the Executive Committee and/or Board. The Executive Committee and/or Board may take any step up to and including termination of GHC's contracts in compliance with the notice provisions of each contract.
- a. Any disputes arising out of this agreement that are not resolved by the procedures described above shall be resolved by binding arbitration governed by the terms of Title 9 of the Code of Civil Procedure (§1280 et seq.).
- b. Any request for binding arbitration must be filed within 180 days of the date the party requesting arbitration first had written notice of the parties' dispute concerning any issue.

8. Applicable Law

This Agreement shall be governed by the laws of the State of California. The waiver by any party hereto of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party.

9. Integration

This instrument contains the entire agreement of the parties concerning employment of CalMHSA's Executive Director by GHC and supersedes any previous written, oral or implied contracts. This agreement may not be changed except by written agreement duly executed by the parties hereto. This agreement shall inure to the benefit of and be binding upon the parties hereto, their successors, heirs, and personal representatives.

10. Notice

Any notice required or permitted under this agreement shall be sufficient if provided in writing by personal delivery, mail, facsimile, or email. Notice shall be effective on the day it is received if it is personally delivered, sent by facsimile or email (or the next business day if it is delivered by any of these means after 5 p.m., on a weekend, or holiday). Notice shall be effective 5 days after mailing if it is sent by U.S. Mail. Notice shall be given as follows:

- a. GHC: [insert names and addresses here]
- b. CalMHSA: [insert names and addresses here]
- c. Executive Director

11. Severability

Each provision of this agreement shall be considered severable, and if for any reason any provision is determined to be invalid, such invalidity shall not impair or otherwise affect the validity of the other provisions of this agreement. Moreover, the parties agree to replace the invalid provisions with a substitute provision that will satisfy the intent of the parties.

12. Effect of Insolvency

In the event that funding from counties, the state, or other sources fails to meet the level that allows CalMHSA to honor this contract and remain solvent, this contract may be cancelled without

further obligation upon sixty (60) days written notice, except for the obligation to pay the severance package to the Executive Director as set forth herein.

13. Modification and Waiver

This agreement may be amended by the parties. Among other things, the parties may from time to time review the budget for this contract and negotiate changes between themselves and with the Executive Director. To be effective, any amendment must be in writing and executed by authorized representatives of each of the parties. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision.

14. Headings

The captions and headings contained herein are intended for convenience of reference only and shall not alter or affect the meaning or interpretation of this Agreement or the rights or obligations of the parties.

**IN WITNESS WHEREOF**, each of the parties is deemed to have executed this Agreement as of the Effective Date.

"Company"



By:

Name: John E. Chaquica, CPA, MBA, ARM

Title: CEO, George Hills Company, Inc.

"CalMHSA"



By:

Name: Maureen F. Bauman, LCSW, MPA

Title: President

## Exhibit A

### Fees and Costs

CalMHSA will pay GHC for employment of the Executive Director and up to 0.5 FTE administrative support person on an annual basis, with periods of less than one year paid in proportion to a whole year's amounts. Payments will be made monthly in arrears for salary, benefits, and direct expenses of employment of such individuals.

Payments not to exceed \$300,000 per fiscal year through June 30, 2018, including amounts set aside to fund the Executive Director's severance package.

This amount is subject to annual review and possible renegotiation per Section B – Rights and Obligations of CalMHSA, No. 3 -Funding.

## **Exhibit B**

### **Performance Evaluation Criteria**

Providing leadership and assistance to the Board in developing and reviewing CalMHSA's mission and strategy

Managing and directing CalMHSA's operations and other activities

Communicating and clarifying board policy and direction to assure effective implementation

Developing and implementing a fund-raising and resource development plan, including setting and meeting specific goals

Communicating the goals, purposes and programs of CalMHSA to partner organizations, public officials, the news media and other audiences

Reporting CalMHSA's activities to the Board

Supervision and evaluation of executive staff

**Exhibit C**

**Position Specification**

**Executive Director  
California Mental Health Services Authority  
(CalMHSA)**

Prepared by

**CalMHSA Search Committee**

**October 2014**

This Position Specification is intended to provide information about the California Mental Health Services Authority (CalMHSA) and the position of Executive Director. It is designed to assist qualified individuals in assessing their interest.

## THE OPPORTUNITY

CalMHSA recognizes the “new normal” for Mental/Behavioral Health is a state of constant change. This has dramatically altered the demands on the office of its Executive Director (ED). To navigate this mission critical period of time, CalMHSA seeks an exceptionally talented executive who will position CalMHSA as the “go-to” organization for any discussions and services relative to state-wide mental and behavioral health programs in California. This executive will have the opportunity to develop and execute CalMHSA’s strategy for positioning itself for expansion, new partnerships, and diversification of funding streams.

To achieve several mission critical goals, CalMHSA seeks an innovative, inspirational, and entrepreneurial ED to lead the organization and be a highly visible executive who will stimulate greater interest in the communities that CalMHSA serves, and act as the “face” of CalMHSA in dealing with funding sources, stakeholder organizations, elected and appointed officials, professional organizations, and the public at large.

The ideal candidate will have demonstrated executive leadership within a progressive community mental/behavioral health organization with dynamics similar to CalMHSA and/or executive experience in an organization that has national or state-wide recognition for innovation in its behavioral/mental health programs. The candidate must have demonstrated ability to develop and execute a fund development plan and a history of managing an organization with an annual budget in excess of \$30 million. This executive will have a record of accomplishments that demonstrates a broad view of healthcare and the strategic opportunities that exist state-wide from a public health perspective. Most importantly, this new ED will have a strong connection with CalMHSA’s mission, values, and shared agenda.

## ORGANIZATION OVERVIEW

The California Mental Health Services Authority (CalMHSA) is an organization (joint powers authority) of California counties focused on the efficient administration of regional and state-wide Mental/Behavioral Health Projects. Members jointly develop, fund, and implement programs/projects, which may include the following:

- Administer prevention and early intervention (PEI) services under the Mental Health Services Act (MHSA Act);
- Contract and/or negotiate with the State or other providers of mental hospital beds and similar or related services;
- Contract and/or negotiate with the State or federal government for administration of mental health services, programs or activities including but not limited to the Drug Medi-Cal Treatment Program, managed mental health care, or delivery of specialty mental health services;
- Operate program risk pools;
- Provide any other similar or related fiscal or administrative services that would be of value to member counties such as group purchasing, contract management, research and development, data management, maintenance of a research depository, training, technical assistance, capacity building, education, and training; and
- Research, develop, and execute any appropriate policy requests from the California State Association of Counties (“CSAC”) or its affiliates.



CalMHSA is governed by and serves its members (51 counties, 1 JPA, 1 city) and also serves four non-member counties. It has no employees. Instead, it has contracted with George Hills Company, Inc. (GHC) to staff and administer the work as directed by the Board. Currently, there are 15 FTE GHC employees working on behalf of CalMHSA, which does not include contracts with partners/contractors for specialized services.

### **Vision**

CalMHSA serves California Counties and Cities in the dynamic delivery of mental health and supportive services. A nationally recognized leader, CalMHSA inspires the service community through its commitment to results and values. Successful state-wide and regional programs enable the voice of many to be heard.

### **Mission**

The mission of CalMHSA is to provide member counties and cities with a flexible, efficient, and effective administrative/fiscal structure focused on collaborative partnerships and pooling efforts in:

- Development and implementation of common strategies and programs
- Fiscal integrity, protections, and management of collective risk
- Accountability at state, regional, and local levels

### **Purpose**

Promoting Efficiency, Effectiveness and Enterprise among Counties and Cities

### **POSITION OVERVIEW**

This defining period of time for CalMHSA will require the new ED to be a transformational executive. CalMHSA's new Executive Director will be a dynamic leader and have the many skills required to build rapport and work well with a range of constituents, including the Board of Directors, staff, community, partners, funders, county supervisors, legislators, and other key stakeholders in the extended California mental/behavioral health community.

CalMHSA's new ED's experience will include responsibility for strategic direction, fundraising, public relations, and fiscal/budget administration. His or her professional competencies should demonstrably include: 1) high level strategic thinking and planning skills; 2) leadership in fund development and strategies; 3) strong communication and relationship skills and experience in a public facing environment; 4) knowledge of laws and regulations relating to mental and behavioral health services within the State of California; 5) knowledge of various mental and behavioral health services, projects, and educational programs at the state, regional, and local levels, and how they are funded; and 6) extensive knowledge of challenges and opportunities facing the mental and behavioral health community. In summary—CalMHSA's next ED must possess the following attributes and competencies:

*Passion for CalMHSA's Mission*—The ED will have a demonstrated passion for the mission of CalMHSA and a commitment to effectively leadership to support the goals of the organization. He or she will have

a deep respect for the history of CalMHSA while staying focused on the future opportunities that exist for the organization.

*Strategic Leadership and Management*—The ED will be a strategic leader who, with the Board, will articulate a vision for the organization's next chapter. He or she will work with stakeholders to put together a strategic approach to future growth, necessary funding, and increased impact. He or she will have a demonstrated understanding on how to run a financially sound organization and will be an approachable leader who builds a culture of collaboration among the staff, CalMHSA's various constituents, and strategic partners.

*Fundraising/Development*—The ED will have a clear understanding that fundraising is a critical fundamental aspect of leading the organization and will enthusiastically lead those efforts. He or she will work in close collaboration with the Board and fundraising team to strategically work towards CalMHSA's desired outcomes, and build and maintain relationships on behalf of the organization.

*Brand Building/Communications*—The ED will develop a strong branding and marketing strategy for CalMHSA. He or she will build strong brand equity and awareness and will establish partnerships and seek opportunities to promote CalMHSA. An outwardly facing member of the community, the ED will be an effective communicator of CalMHSA's mission to the public responding when appropriate to matters of public interest and working tirelessly as an "Ambassador," promoting CalMHSA throughout California and beyond.

*Collaborative Consensus Building and Networking*—The ED must work in a collaborative manner, building relationships and promoting CalMHSA throughout the community. He or she will actively and strategically seek partnerships and build coalitions with service providers, community and strategic partners, legislators, county supervisors, and other leaders on behalf of the strategic vision of the organization.

## CANDIDATE QUALIFICATIONS

The following describes the ideal candidate profile for the CalMHSA's ED:

### **Education/Experience**

An advanced degree at the Master's or Doctorate level from an accredited college or university in management, business/public administration, behavioral science, human services, or other closely related field. Alternately, a bachelor's degree in a qualifying area coupled with ten (10) years of progressively responsible administrative or management experience in managing a large or complex mental, behavioral, or public health agency, foundation, or non-profit organization.

### **Goals and Objectives**

The CalMHSA ED will need to hit the ground running and make an immediate impact on several mission critical goals. This strategically, relationally, and operationally astute executive has the following goals and objectives during the first 12 to 18 months:

- Develop a well defined growth strategy for CalMHSA;
- Secure current funding streams and develop a plan of action for diversifying funding streams;
- Continue CalMHSA's legacy of being a highly collaborative organization;
- Ensure there is a shared vision among CalMHSA's Board of Directors and key stakeholders;
- Update CalMHSA's strategic plan to ensure alignment with evolving priorities.

## **THE LOCATION**

The CalMHSA ED will have the opportunity to live and work within California, and a more specific regional area is being determined.

## **Agenda Item 8**

**SUBJECT: REPORT FROM CALMHSA PRESIDENT – TERENCE M. ROONEY**

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**ACTION FOR CONSIDERATION:**

Discussion and/or action on items below, as deemed appropriate.

**BACKGROUND AND STATUS:**

CalMHSA President, Terence M. Rooney, will be reporting on the following items.

- General

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

None, information only.

**TYPE OF VOTE REQUIRED:**

Majority vote.

**REFERENCE MATERIAL(S) ATTACHED:**

- None.

## **Agenda Item 9**

### **SUBJECT: REPORT FROM CALMHSA EXECUTIVE DIRECTOR - WAYNE CLARK**

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#### **ACTION FOR CONSIDERATION:**

None, Information only.

#### **BACKGROUND AND STATUS:**

CalMHSA Executive Director, Wayne Clark, will report on CalMHSA topics, including:

- 1299 Banking Pool
- MHSR Reversion Issues
- Board of Directors' Meeting Schedule
- Board of Directors' Strategic Planning Session
  - SPS Meeting scheduled for Wednesday, April 11, 2018
  - 3:15-4:30 Board Meeting
  - 4:30-5:30 CalMHSA Overview (Past & Present) setting table for dinner discussion
  - 5:30-6:00 Reception
  - 6:00-8:00 Dinner and Visioning Discussions
- General

#### **FISCAL IMPACT:**

None.

#### **RECOMMENDATION:**

None, Information only.

#### **TYPE OF VOTE REQUIRED:**

Majority vote.

#### **REFERENCE MATERIAL(S) ATTACHED:**

- Board of Directors' Meeting Schedule

## CalMHSA TENTATIVE BOARD OF DIRECTORS MEETING DATES 2018

Board of Directors Regular In-Person Meeting

**Date: Wednesday, February 14, 2018**

Time: 4:00PM – 5:00PM

Board of Directors Strategic Planning Session

**Date: Friday, April 13, 2018**

Time: 8:30AM – 3:00PM

Board of Directors Regular In-Person Meeting

**Date: Wednesday, June 13, 2018**

Time: 4:00PM – 5:00PM

Board of Directors Regular In-Person Meeting

**Date: Wednesday, September 12, 2018**

Time: 4:00PM – 5:00PM

Board of Directors Regular In-Person Meeting

**Date: Wednesday, November 14, 2018**

Time: 4:00PM – 5:00PM