

Board of Directors Meeting

AGENDA

Thursday, December 18, 2014

4:00 p.m. – 5:00 p.m.



SPECIAL MEETING

At the following location:

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

California Mental Health Service Authority
(CalMHSA)
Special Board of Directors Meeting
Agenda

Thursday, December 18, 2014

4:00PM – 5:00PM

Meeting Locations:

CalMHSA
3043 Gold Canal Drive, Suite 200
Rancho Cordova, CA 95670
(916) 859-4800

Butte County
109 Parmac Road, Suite 2A
Chico, CA 95926

Fresno County
3133 N Millbrook, Room 165
Fresno, Ca 93703
(559) 600-6886

Glenn County
242 North Villa Ave
Willows, CA 95988

Kern County
2151 College Ave
Bakersfield, CA 93302

Lassen County
555 Hospital Lane
Susanville, CA 96130

Madera County
209 7th Street
Madera, CA 93638

Orange County
405 W 5th Street, Suite 724
Santa Ana, CA 92701

Placer County
1152 B Avenue
Auburn, CA 95603

Riverside County
4095 County Circle Drive
Riverside, CA 92503

Sacramento County
7001-A East Parkway, Suite 400
Sacramento, CA 95823

San Bernardino County
303 E. Vanderbilt Way
San Bernardino, CA 92415

Shasta County
2640 Breslaure Way
Redding, CA 96001

Solano County
275 Beck Ave.
Fairfield, CA 94533

Sonoma County
3322 Chanate Road
Santa Rosa, CA 95404

Stanislaus County
800 Scenic Drive
Modesto, CA 95350

Sutter/Yuba County
1965 Live Oak Blvd, Suite A
Yuba City, CA 95991

Tri-City Mental Health Center
1717 N. Indian Hill Blvd. #B
Claremont, CA 91711

Tuolumne County
105 Hospital Road
Sonora, CA 95370

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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.

- 1. SPECIAL BOARD OF DIRECTORS MEETING** **4:00 p.m. – 5:00 p.m.**
- 2. ANNOUCEMENT OF CLOSED SESSION ITEMS**
 - A. Appointment of Executive Director**
 - B. Public Comment**
- 3. CLOSED SESSION**
 - A. CALL TO ORDER**
 - B. ROLL CALL AND INTRODUCTIONS**
 - C. PUBLIC EMPLOYEE APPOINTMENT (Section 54957(b))**
 - a. Title: Executive Director.**
 - D. RECONVENE TO OPEN SESSION**
- 4. OPEN SESSION**
 - A. Disclosure of action taken in the closed session (Section 54957.1(a)(5))**
 - B. Pursuant to Section 54953(a), CalMHSA will publicly report the vote or abstention of each member present. Due to the size of the board, the disclosure may be posted or listed in minutes of the meeting rather than announced orally.**

Administrative Matters
Agenda Item 2.A

SUBJECT: Search Committee Report and Recommendation

ACTION FOR CONSIDERATION:

Approve the recommendation from the search committee by taking the following actions:

1. Appoint the New Executive Director of CalMHSA
2. Direct counsel and the Board President to negotiate a contract with George Hills Company to employ the CalMHSA Executive Director that addresses any functional conflicts and establishes CalMHSA as the ultimate authority for this position, within the previously approved total budgeted amount for this purpose.

BACKGROUND AND STATUS:

The CalMHSA Board determined that in order to accomplish the goals of this organization it was necessary to proceed with a search and appointment of an Executive Director at its meeting of June 12, 2014. A search committee was established in order recruit, interview and recommend to the Board a person for this position. The Board provided input on the job description of this position as well as expected qualification for the potential candidate. It was determined that the candidate's skills should include strategic planning and execution of fund development balanced with knowledge of both the mental health field and county government.

The approved budgeted amount was authorized in the range of \$150,000 to \$250,000 for a compensation package (salary and benefits) and provision for indirect costs for 1 FTE. In addition it was determined that this new restructure would also need .5 FTE that would be added for additional support, estimated at \$40,000 for a total approved package of \$300,000.

The Search Committee solicited applications for this position and received 39 responses. Eleven candidates met the minimum qualifications and were ranked by the Search Committee. The Search Committee scores were compared and there was an agreement to interview the top 5 candidates. This initial recruitment process did not result in a recommendation for the Executive Director position. Accordingly, the Search Committee reevaluated its restructure plan to ensure it was addressing CalMHSA's evolving needs and revised the restructure plan and Executive Director job description to reflect lessons learned in the initial recruitment process. The revised recruitment process was approved by the CalMHSA Board on October 30, 2014.

The Search Committee commenced its second recruitment process, which included an increase in posting locations and the hiring Wilcox Miller Nelson (recruitment agency) for the purpose of guiding the interview process from an impartial perspective. The committee received 56 responses, with eleven (11) candidates meeting the minimum requirements and four (4) selected for interviews. After interviews and deliberations it was determined to recommend only one candidate. The candidate strongly and enthusiastically brought to the CalMHSA Board by the Search Committee is Dr. Wayne Clark.

In the course of the recruitment process it was determined that the Executive Committee would need to determine the appropriate vehicle by which to employ the selected candidate. There was then an extensive consideration and review of the multiple options possible for CalMHSA to hire a new Executive Director within a new structure.

The requirements and needs necessary for CalMHSA to hire an Executive Director (ED) include but are not limited to the following:

1. Payroll obligations for such items as income taxes, DSI, SSI, unemployment insurance.
2. Compliance with payroll would require a consultant of some kind if CalMHSA was responsible.

3. Benefits including health, life insurance, and disability insurance. It is noted that an employee group of one is the most challenging for purchase.
4. Operational support – equipment, supplies, technology, phones, email, access to CalMHSA systems.
5. Administrative support – assistance with travel arrangements, expense reimbursement, scheduling, formal correspondence, record keeping.
6. Business administration for a separate corporation would require a business license, forming and maintaining an entity, etc.
7. Exercising authority over the CalMHSA staff.

A summary of the options considered and the pros and cons of each option are summarized in the matrix below.

<i>Option for Employment of ED</i>	<i>Independent Contractor</i>	<i>Executive Director, Inc. or LCC</i>	<i>Direct employment by CalMHSA</i>	<i>Employment by an alternative group such as Regional Government Services (RGS)</i>	<i>Employment by George Hills Corporation (GHC)</i>
Advantage	Addresses perceived conflict with administrative company GHC	Addresses perceived conflict with administrative company GHC	Addresses perceived conflict with administrative company GHC	<ul style="list-style-type: none"> • Addresses perceived conflict with administrative company GHC • Could take care of payroll obligations and benefits • RGS acts as the employer, extends job offer and provides evaluation after feedback from the contracting entity 	<ul style="list-style-type: none"> • One source of payroll, benefits, operational support, administrative • Coordinated interaction with the CalMHSA staff at GHC • Concern of conflict and lack of independence from GHC could be solved with a separate contract for the ED • Specific contract language* (see specific language below)
Disadvantage	<ul style="list-style-type: none"> • NOT recommended by counsel • Doesn't meet the criteria for independent contractor as looks like an employee – 	<ul style="list-style-type: none"> • Not recommended by counsel • Executive Director would be faced with distraction of setting up a corporation and arranging for payroll and administrative support • Lines of authority over CalMHSA staff would be less than clear 	<ul style="list-style-type: none"> • Employee group of one (could be serviced by GHC)but a separate system would be required that would be more costly • Likely involve a consultant for HR • Employee group of one would be more expensive • Lines of authority potentially less than clear • Leaves CalMHSA with some exposure to liability depending on the expertise of the HR consultant 	<ul style="list-style-type: none"> • RGS is used to hiring all staff to provide services to a corporation • The complication of having three entities would complicate the business • Could lead to dispute or confusion over legal entity responsibilities (such as personnel complaint that needs to be investigated and action taken • More expensive option 	<ul style="list-style-type: none"> • Does not address perceived conflict with administrative company GHC • Perceived conflict between GHC CEO and CalMHSA COO

As one of the options for consideration was to use the GHC, it was also determined that option raised additional issues that would need to be addressed. Specific Contract Agreements were identified to solve issues that arise with GHC employing the ED.

1. GHC agrees to employ the ED appointed by CalMHSA's Board.
2. The ED's performance will be reviewed only by the CalMHSA Board.
3. The ED has oversight and direction over CalMHSA staff, including the Program Director, Finance Director and Chief of Operations in their capacity as such. The CalMHSA staff employed by GHC shall be under the direction of the ED except as to wages, benefits, expense reimbursement, office hours and access and other matters generally applicable to all employees.
4. If ED believes that a GHC policy, procedure, rule or instruction interferes with performance of the ED's duties, the ED addresses issue with GHC and after that, the President of CalMHSA's Board, who may attempt to resolve informally or call a special meeting of the Executive Committee or Board, which can take steps up to replacement of the COO or termination of GHC's contracts.
5. GHC will not terminate the ED's employment except as directed by CalMHSA's Board, upon termination of the GHC's contract with CalMHSA or for good cause. Good cause defined as conduct that is unlawful or exposes GHC to liability or loss.
6. The ED 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 ED.

After much consideration and deliberation a strong recommendation to the CalMHSA Board from the Search Committee and the Executive Committee is that CalMHSA establish a separate contract with GHC as the vehicle to hire the first Executive Director under the new structure.

FISCAL IMPACT:

The approved package of up to \$300,000 can be managed in the current FY 14-15 budget. This expense is seen as critical to the growth and sustainability of CalMHSA.

RECOMMENDATION:

Approve the recommendation from the search committee by taking the following actions:

1. Appoint Dr. Wayne Clark as the New Executive Director of CalMHSA.
2. Authorize Maureen Bauman and Douglas Alliston to negotiate a contract with George Hills Company to employ the executive director that addresses any functional conflicts and establishes CalMHSA as the ultimate authority for this position, within the previously approved total budgeted amount for this purpose.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors

REFERENCE MATERIAL(S) ATTACHED:

- None