

MEETING MINUTES

Attendees

Voting Members

Mr. Leland Johnson, Chair
Mr. Chris Mosley, Vice Chair
Ms. Steve Grimsley, Secretary
Ms. Chinwe Okoronkwo, Board Member
Mr. Pete Quinones, Board Member
Mr. Randal Crider, Board Member
Mr. Keith Ledford, Board Member
Mr. Michael McElveen, Board Member
Ms. Karen Sparks, Board Member
Ms. Christina Howell, Board Member
Ms. Mary Ghorley, Board Member

Others Present:

Mr. Jim Catanzaro, Legal Counsel
Ms. Melanie Dallas, Chief Executive Officer
Ms. Dena Payne, Chief Operating Officer
Ms. Marla Flynn, Chief Financial Officer
Ms. Stephanie Bishop, Chief Compliance Officer
Ms. Kathleen Varda, Foundation Director
Ms. Melissa Stone, Executive Coordinator

I. Call to Order

Action: Chair Leland Johnson called the meeting to order at 10:34 a.m.

II. Approval of Agenda

Action: The agenda was approved as presented upon unanimous vote of motion by Ms. Karen Sparks and second by Ms. Mary Ghorley.

III. Executive Session

Action: Upon unanimous vote of the motion by Ms. Karen Sparks and second by Ms. Mary Ghorley, the Governing Board moved into executive motion to discuss or deliberate on the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or an employee and to consult with legal counsel regarding pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions.

IV. Reconvention of Regular Session

Action: The Chief Executive Officer and Legal Counsel were authorized to take measures up to and including contact with the Office of Inspector General to reconcile the Cobb County Community Services Board self-disclosure matter and to release the payment for appropriate claims upon unanimous vote of motion by Ms. Chinwe Okoronkwo and Mr. Keith Ledford.

Action: The extension of the Chief Executive Officer contract and amendment to October 31, 2022, to coincide with the Chief Executive Officer performance evaluation was approved upon unanimous vote of motion by Chair Leland Johnson and second by Mr. Randal Crider.

V. Appointment of FY23 Officers

Chair Leland Johnson thanked the committee for their work on the new slate of nominees. Committee Chair Karen Sparks directed the members to the recommended slate of officers in the packet. The slate of nominees was as follows:

- Chair - Mr. Chris Mosley
- Vice Chair - Dr. Carol Holtz
- Treasurer - Ms. Keith Ledford
- Secretary - Mr. Steve Grimsley

Mr. Johnson asked if there were any nominations from the floor. Hearing none, he asked for a vote on the slate.

Action: The slate of nominees was approved upon unanimous vote of motion by Ms. Chinwe Okoronkwo and second by Mr. Randal Crider.

VI. Mutual of America Fund Review

Chair Leland Johnson reminded the board that a recent Supreme Court ruling had been handed down that required boards of institutions to be aware of the investment options that were offered to employees to meet due diligence requirements. Mr. Paul Redclift, Vice President of 320 Park Analytics LLC, spoke on behalf of Mutual of America. He explained that 320 Park Analytics was the division that monitored existing fund managers and funds on the plan. The division selected funds through an evaluation process with an open approach for open architecture. A selection process with portfolio management, research capabilities, and a track record of ethical business practices was critical. He gave the following highlights from his presentation.

- A quantitative evaluation was conducted to see if funds met the minimum requirements that included tenure, fees, and risk adjustment performance.
- Market changes have been happening due to the environment.
- Analysts took into consideration how much risk was taken to get the returns.
- Analysts called the fund managers a couple of times a year to ask questions including what changes they might have had over the preceding period.
- 85% of the funds were in the top 40% of the cheapest funds. This meant the employees were getting the best value.
- Each fund class might have different fees. Fees could be larger for bigger funds.
- Performance was very important. The world was trying to find a balance due to the pandemic. The company wanted to make sure funds were providing adequate returns.
- Fund selection and oversight included the five "P's". This included that the fund had the right philosophy regarding retirement plans, investment style, and objectives. The process included adherence to stated objectives, decisions, the buy/sell discipline, and risk controls. The people included the experience and tenure of the portfolio management

team and the stability of the organization. The price included reasonable expenses. The performance included risk-adjusted performance and benchmark/peer group comparisons.

- The total assets managed for the retirement plan were around \$20 million.
- The Cobb County Community Service Board plan did merge into the Highland Rivers Health plan.

Chief Executive Officer Melanie Dallas stated that Mutual of America was a good partner. Highland Rivers Behavioral Health had a lot of employees who were lower paid and needed guidance on how to prepare for their financial future. Mutual of America had really stepped up to provide that service and the employees were happy.

VII. FY21 Financial Audit Review for Highland Rivers and Cobb

Chief Executive Officer Melanie Dallas introduced Mr. Jay Shirah, CPA, to the members. Mr. Shirah was the new auditor who would be conducting the audits for Highland Rivers Behavioral Health. He was employed by Robert Baker and Associates. Mr. Shirah directed the members to the FY21 audit for Highland Rivers Behavioral Health. He gave the following highlights from the report.

- The total current assets were \$7,895,541.
- The total current liabilities were \$4,167,322.
- The cash on hand was \$3,623,045. It was less than one month. The goal was two months of cash on hand. DBHDD liked to see 30-days.
- The total net position was \$3,222,272.
- It was a clean opinion.
- There was one finding specifically related to a journal entry that needed to be reconciled at least annually. Highland Rivers Behavioral Health used an electronic health record system that didn't interface with the accounting system. This meant there had to be a manual entry. There was a step that was missed that caused cash and revenue to be understated. A process has been put into place to fix the issue. He did not expect it to be an issue in the future.

Mr. Shirah directed the members to the FY21 audit for Cobb County Community Service Board. He gave the following highlights from the report.

- The total current assets were \$5,632,562.
- The fund balance of \$4,435,005 was comparable to Highland Rivers Behavioral Health.
- The cash on hand was \$3,599,293.
- The net income on current resources was \$1,824,483 compared to \$2,610,522 in 2020.
- It was a clean opinion. There were no findings.

Mr. Shirah thanked the members for their oversight of the finances of the agency.

VIII. Approval of FY23 Preliminary Budget

Chief Executive Officer Melanie Dallas directed the members to the projected budget in the packet. She explained that the preliminary budget was brought before the members in June. However, the agency had not received all the contracts for the new fiscal year. It was tough to anticipate what DBHDD would do for the coming fiscal year. The preliminary budget was consolidated to include Cobb and Haralson counties. Total revenues were projected to be quite similar to FY22 at \$71,811,347. Fee for service and grant in aid revenue were projected to increase by \$759,054. The agency was trying to pick up speed post pandemic. The

Medicaid waiver revenue was projected to decrease by \$409,687 due to the closing of some intellectual/developmental group homes. Host homes were a more supportive environment in some ways and did not hemorrhage dollars. Group homes were a loss leader and it was hard to maintain the losses year over year. CMO revenue was projected to increase by \$847,171 due to good leadership in the APEX (school based) program. There was an expected increase in utilization in FY23. All other miscellaneous revenue included consolidation funds and supplemental funds that have not been realized yet for salary increases. The total expenditures were projected to be \$70,219,523. The expenses for salaries and benefits were pretty flat. The Ascend staffing expenses were for staffing services to help fill vacant positions. The projected increase of \$3,071,109 was to help bring staff in through the contract. Telecommunication costs were projected to decrease by \$338,688. A lot was spent in FY22 due to the consolidation. The other operating expenses were also projected to decrease since the consolidation was almost complete. The projected total net income for FY23 was \$1,591,824. It was a 2.22% margin. This was down from what was experienced in FY22.

Action: The FY23 preliminary budget was accepted as presented upon unanimous vote of motion by Vice Chair Chris Mosley and second by Ms. Mary Ghorley.

IX. Finance Committee Report

Vice Chair Chris Mosley informed the members that the committee had reviewed the financials. There was an increase in cash on the balance sheet. He asked Chief Executive Officer Melanie Dallas to give a synopsis of the financials. Ms. Dallas directed the members to the Highland Rivers Behavioral Health financials in the packet. The profit and loss statement showed revenue was up significantly due to the bonuses provided by the Governor's Office. The balance sheet showed cash was up significantly over FY21. Accounts receivable were up due to the timing of payments from DBHDD. DBHDD owed the agency money when the books were closed. COVID relief funds were re-classed to revenue in April. The net profit year to date was \$2,543,902. There was 42.3 days cash on hand.

Ms. Dallas directed the members to the Cobb County financial information. Revenue and expenses were down. The expenses were down due to vacancies. The margin was driven by vacancies.

X. Consent Agenda Items

Action: The following consent agenda items were approved as presented upon unanimous vote of motion by Mr. Randal Crider and second by Ms. Karen Sparks.

- Governing Board Meeting Minutes for April 27, 2022
- Governing Board Executive Committee Minutes for May 17, 2022
- Governing Board Officer Nomination Committee Minutes for June 3, 2022
- FY23 DBHDD Contracts - Board Resolution
- FY23 Board Meeting Schedule
- FY22 GA APEX Program Expansion - Renewal #3 - Contract #44100-026-0000130687
- Community Relations & Marketing Report

XI. Agency Scorecards

Chief Operating Officer Dena Payne directed the members to the agency scorecards in the packet. She gave the following highlights from the Cobb scorecard.

- The percentage of staff meeting 90% of their productivity standard was 43.59%. The average overall pay for performance productivity was 85.49%. The staff were still transitioning to the Highland Rivers pay for performance model. The downturn in April

was due to the transition of Cobb staff to the Highland Rivers electronic health record platform. The bulk of training was conducted in April.

- The audits were conducted quarterly so there was no new information.
- The financials looked good in March. The books had not been closed for April at the time of the meeting.
- The services provided versus billed metric were at 80.25%.
- The services provided with an authorization were at 83.56%.
- The documentation within the prescribed time metric was 90.94%.
- The metrics in yellow had been combined with the Highland Rivers metrics and were reflected on that scorecard.
- The DBHDD critical incidents completed within 30 hours had improved significantly. The increase was due to Chief Compliance Officer Stephanie Bishop working with the staff.
- The annual scores had not changed.

Ms. Payne directed the members to the Highland Rivers Behavioral Health scorecard. She gave the following highlights from the scorecard.

- The percentage of staff meeting 90% of their productivity standard was 69.70%. The average overall pay for performance productivity was 97.22%.
- The quality audit score met the goal of 90%.
- The operating margin had increased. The cash on hand looked good at 42.3 days and continued to increase.
- The collections to fee for service net revenue metric had decreased to 83.4%. A portion of the metric was influenced by the timing of collections.
- The bad debt to fee for service revenue metric was 2.2%. The Cobb and Highland Rivers bad debt will be tracked together in the future.
- The billing and authorization metrics met the goal of 95%.
- The documentation within the prescribed time metric was 82.60%. It was lower due to the 55 host homes that were included in the number. The percentage would be much higher if only internal metrics were reviewed. The host homes were included because the quality of the homes was important and needed to be tracked.
- The request to replace a position recruiting metric was at 100%. This was due to the use of Ascend for staffing.
- The turnover rate was still high at 33.88%.
- The compliance metric was met at 85%.

Vice Chair Chris Mosley asked when the financials would be merged. Ms. Payne stated that accounting was in the last stages of merging financials. She would continue to track Cobb County and Highland Rivers Behavioral Health separately internally. A combined report would be presented to members.

XII. Compliance Committee Report

Secretary Steve Grimsley led the committee meeting in the absence of the committee chair. He stated it was a good meeting with no significant deficits or outstanding concerns. He asked Chief Compliance Officer Stephanie Bishop to give an update from the earlier meeting. Ms. Bishop informed the members that her team tracked metrics and worked on the compliance plan. They worked to integrate programs and employees and to orient the Cobb County members to processes. All policies and procedures were consolidated. The reports for the next committee meeting might look worse because there would be an increase in sites that were monitored. The reports in October would look considerably different.

XIII. CEO Report

Chief Executive Officer Melanie Dallas directed the members to the CEO report in the packet. She gave the following highlights from the report.

- A luncheon was held on May 16th to present the employee superlative awards. The awards included the Trudie Casey Award, Employee of the Year Award, and Hope Holder Award. The Trudie Casey Award was in honor of an employee who was a front desk floater. Ms. Trude was an amazing person who was amazingly warm and supportive. She had passed away in a car accident. Her family helped to set up this award to honor her. The Hope Holder award was given to employees who had worked above and beyond during the pandemic. Ms. Dallas thanked Mr. Michael McElveen for attending the luncheon.
- The leadership academy was underway. The material was built around social and emotional intelligence. 30 facilitators were chosen to help implement the academy and to support new learners. The facilitators would be attending a week-long training session to go more in-depth into the program.
- Ms. Dallas introduced Ms. Marla Flynn. Ms. Flynn was selected to fill the Chief Financial Officer position. She asked Ms. Flynn to introduce herself to the members. Ms. Flynn informed the members that she was a CPA and had worked in the private behavioral health setting. She was excited about her new position. The members welcomed Ms. Flynn.

Ms. Dallas discussed recent events in Uvalde, Texas. She stated that the members might get questions from the community. She wanted them to be knowledgeable to have the right conversations. She would be happy to talk with any members who might want to discuss violence and youth.

XIV. Highland Rivers Foundation Report

Foundation Director Kathleen Varda gave the members community profiles. The profiles included the facilities in each community, metrics on the number of individuals served, and the population numbers. The profiles were to provide the members with talking points about the community.

Ms. Varda informed the members that the biggest update from her report was regarding the Green Zone Community Center breakfast fundraiser. The center was going to be run by veterans and would be a way to get veterans connected to resources. She thanked the members who attended the event for their support. The budgeted start up for the center was \$1.8 million. The event raised \$21,234. There were 7 sponsors for the event. Referral cards had been received and there were 26 potential donors identified. Mohawk Industries reached out regarding naming rights for the center. Ms. Varda's team had sent the company 3 types of proposals that included a request for a \$400,000 commitment. The team was waiting for a response. Chief Executive Officer Melanie Dallas stated she had an experience with a community member at the event. The community member came up to her after the event and stated the event was the first time in 16 years that he had been thanked for his military service.

XV. Recognition of Visitors

Chair Leland Johnson recognized the following visitors.

- Mr. Jay Shirah, CPA - Robert Baker and Associates, CPAs
- Ms. Tracey Smith - Mutual of America
- Mr. Paul Redclift - 320 Park Analytics, LLC

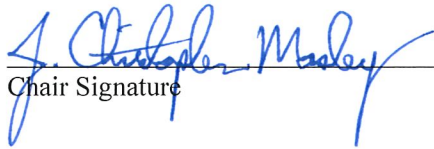
XVI. Public Comment


Chair Leland Johnson encouraged the members to get out and talk to the public and their legislators about Highland Rivers Behavioral Health and the services the agency provided in the community.

The members thanked Mr. Johnson for his leadership during his term as Chair. Chief Executive Officer Melanie Dallas stated Mr. Johnson had used his expertise and knowledge of the system in his role. Mr. Johnson thanked the members for their kind words.

XVII. Adjournment

Action: The meeting was adjourned upon unanimous vote of motion by Ms. Mary Ghorley and second by Ms. Chinwe Okoronkwo.


Chair Signature


Date