



AGENDA

CHAC Board of Directors
590 W. El Camino Real, 1st Floor Training Room

Wednesday, May 22, 2024

4:30 - 6:00 pm

CHAC's mission is to improve lives and strengthen communities through access to comprehensive and culturally responsive mental health services in northern Santa Clara County.

For planned public attendance or teleconference link, please contact anne.ehresman@chacmv.org

Board Members: Kevin Duggan (Chair), Leona Pearce (Vice Chair), Jessica Mancini (Secretary), George Tyson (Treasurer), Sandy Bergan, Elise Bergeron, Laura Blakely, Chris Clark*, Cecile Currier*, Phil Faillace*, Ellen Kamei*, Sally Meadows, Tania O'Connell*, IdaRose Sylvester, Steve Taglio, Dennis Young, Anne Ehresman (Interim Executive Director)

1) **AGENDA APPROVAL**

2) **COMMENTS FROM PUBLIC FOR ITEMS NOT ON AGENDA**

This portion of the meeting is reserved for persons wishing to address the Board on any matter not on the agenda. Speakers are allowed to speak on any topic within the Board's subject matter jurisdiction for up to three minutes during this section. (If there appears to be a large number of speakers, speaking time may be reduced to no less than 2 minutes.)

3) **CONSENT ITEMS (ACTION)**

These items will be approved by one motion unless any member of the Board or audience wishes to remove an item for discussion. If so requested, that item will be removed from CONSENT ITEMS and considered under AGENDA ITEMS PULLED FROM THE CONSENT CALENDAR.

- Approve the April 24, 2024 Minutes (attachment)
- Accept Executive Committee Minutes and Development Report (attachment)

4) **AGENDA ITEMS PULLED FROM THE CONSENT CALENDAR**

5) **DUE DILIGENCE UPDATE | INTERIM EXECUTIVE DIRECTOR REPORT**

- Update on JPA Meetings and Dissolution Timeline
- Due Diligence and Closing Costs (attachment)

6) **CLOSED SESSION**

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code Section 54956.8)

- Property: 590 West El Camino Real, Mountain View, CA (APN: 158-06-004)
- Agency negotiator: Board Chair Kevin Duggan and Anne Ehresman, Interim Executive Director
- Negotiating parties: Pacific Clinics
- Under negotiation: Price and terms of payment

*BOARD MEMBER WILL ATTEND BY TELECONFERENCE PURSUANT TO GOVERNMENT CODE § 54953 | LOCATION ON FINAL PAGE

- 7) **OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION AT 5:55PM**
Report of actions taken in closed session
- 8) **SCHEDULE SPECIAL BOARD MEETING FOR LATE MAY/EARLY JUNE**
- 9) **ADJOURNMENT**

Upcoming Dates:

Finance Committee Meeting—Wednesday, June 19, 2024, 1:00 p.m.
Executive Committee Meeting—Wednesday, June 19, 2024, 3:30 p.m.

BOARD OF DIRECTORS MEETING—Wednesday, 4:30 – 6:00 p.m.

MAY/JUNE	SPECIAL MEETING TBD
JUNE	June 26, 2024

TELECONFERENCE LOCATIONS

BOARD MEMBER	LOCATION
Phil Faillace	800 Dixon Way, Los Altos
Tania O’Connell	280 Orchard Ave, House A, Mountain View
Ellen Kamei	170 Oberg Court, Mountain View
Cecile Currier	1080 San Mateo Dr., Menlo Park
Chris Clark	3180 18th St, San Francisco, CA 94110

NOTICE TO THE PUBLIC: The agenda, reports, and any writings or documents provided to a majority of the Board regarding any item on this agenda may be requested beginning the Monday morning prior to Wednesday Board meetings by contacting anne.ehresman@chacmv.org.

The Board may consider and act on items listed on the agenda in any order and thus those interested in an item listed on the agenda are advised to be present throughout the meeting.

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CHAC does not discriminate on the basis of race, color, religion, national origin, sex, disability, age, source of income, gender, gender expression or identity, or any other State or Federal protected class in any of its policies, procedures or practices.



Minutes

CHAC Board of Directors
590 W. El Camino Real, 1st Floor Training Room
Wednesday, April 24, 2024
4:30 - 6:00 pm

Board Members: Kevin Duggan (Chair), Leona Pearce (Vice Chair), Jessica Mancini (Secretary), George Tyson (Treasurer), Sandy Bergan, Laura Blakely, Cecile Currier*, Phil Faillace*, Ellen Kamei*, Tania O'Connell*, IdaRose Sylvester*, Steve Taglio, Dennis Young, Anne Ehresman (Interim Executive Director)

Absent: Elise Bergeron, Sally Meadows, Chris Clark

1) **AGENDA APPROVAL. MOTION** by Sandy Bergan, seconded by Laura Blakely. Approved unanimously.

2) **COMMENTS FROM PUBLIC FOR ITEMS NOT ON AGENDA. None.**

This portion of the meeting is reserved for persons wishing to address the Board on any matter not on the agenda. Speakers are allowed to speak on any topic within the Board's subject matter jurisdiction for up to three minutes during this section. (If there appears to be a large number of speakers, speaking time may be reduced to no less than 2 minutes.)

3) **CONSENT ITEMS (ACTION)**

These items will be approved by one motion unless any member of the Board or audience wishes to remove an item for discussion. If so requested, that item will be removed from CONSENT ITEMS and considered under AGENDA ITEMS PULLED FROM THE CONSENT CALENDAR.

- Approve the March 27, 2024 Minutes (attachment)
- Resolution Adoption for CHAC parcel to qualify for exemption under the Surplus Lands Act (attachment)
- Accept Executive Committee Minutes, Finance and Development Reports (attachment)

ACTION: Vote on Resolution Adoption for CHAC parcel to qualify for exemption under the Surplus Lands Act (attachment). Those in favor (12):

Kevin Duggan (Chair), Leona Pearce (Vice Chair), Jessica Mancini (Secretary), George Tyson (Treasurer), Sandy Bergan, Laura Blakely, Cecile Currier*, Phil Faillace*, Ellen Kamei*, IdaRose Sylvester, Steve Taglio, Dennis Young; Nay vote (0), Abstention (0)

MOTION to approve consent items by George Tyson, seconded by Dennis Young. Approved unanimously.

4) **AGENDA ITEMS PULLED FROM THE CONSENT CALENDAR. None.**

5) **DUE DILIGENCE UPDATE | INTERIM EXECUTIVE DIRECTOR REPORT**

- Update on JPA Meetings and Dissolution Timeline
 - Met with 5 of 6 JPA
 - Flexibility on timeline for amendment regarding JPA structure, no longer need to dissolve by June 30, 2024
 - Timeline for reviewing/approving LOI
- Due Diligence and Closing Costs (attachment)

Board Questions/Comments:

- The phrase “services in the region” needs to be clarified (as used in the LOI)
- This is the time to put in writing CHAC’s needs including continuity of services of mental health in the community, commitment to employment.
- What is the community getting in return for a \$5 MM building?
- How accessible will the services be in the building?
- Where we are now seems very different from where we started in discussions with PC.
- What will be offered in the building and what is the accountability for services in the community moving forward?
- How can we ensure that the building is used for mental health services in this community? Is there something to learn from the hospital/health trust model?
- Two options were presented – net asset transfer and dissolve. Is there another option?
- Were Sunnyvale School District contract positions open to CHAC staff? The PC message has been that they are an equitable employer with no priority and CHAC employees need to apply.
- Are there positions for our senior staff? Generally, PC already has staff in the senior positions and PC positions are entry level.

Public Questions/Comments:

- Joan MacDonald: I’m wondering about priority employment for the staff. If there is no priority given to CHAC employees, this should be a deal breaker.
- Carol Melberg. I’ve been on staff for 20 years. We are in support of an honorable end to CHAC and community. CHAC has no revenue after June 30. Why was PC allowed to go into the school negotiations with short notice to school districts, effectively giving schools no time to adequately consider or pivot given high price point of PC? The training

program has been downplayed and it is a huge program that trains 50-90 therapists and is highly competitive. CHAC gone will have a big impact on number of mental health professionals in the community.

- Joanna Carson-Young: It's unclear if PC is trustworthy in prioritizing CHAC staff in opportunities, regardless of school contracts.
- Diana Ritter: There was an option to dissolve the agency a year ago and the board chose to look for merger to keep services in the community. I would encourage the board to think of options other than dissolving at this time.

ADJORNED Open session at **5:29 PM**

6) CLOSED SESSION

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- Under negotiation: Price and terms of payment

ADJORNED Closed session at **6:01 PM**

7) OPEN SESSION IMMEDIATELY FOLLOWED CLOSED SESSION

No reportable action taken in closed session.

- 8) ADJOURNMENT:** Motion by Sandy Bergan, seconded by Laura Blakely. Approved unanimously. **6:02 PM**

Upcoming Dates:

Development Committee Meeting— will be scheduled if needed

Governance Committee Meeting— will be scheduled if needed

Finance Committee Meeting— Wednesday, May 15, 2024, 1:00 p.m.

Executive Committee Meeting— Wednesday, May 15, 2024, 3:30 p.m.

BOARD OF DIRECTORS MEETING— Wednesday, 4:30 – 6:00 p.m.

MAY May 22, 2024

JUNE June 26, 2024

TELECONFERENCE LOCATIONS

BOARD MEMBER	LOCATION
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Tania O'Connell	280 Orchard Ave, House A, Mountain View
Ellen Kamei	170 Oberg Court, Mountain View
Cecile Currier	1080 San Mateo Dr., Menlo Park
IdaRose Sylvester	Driving in car, Los Altos

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FINANCIAL STATEMENTS

April 30, 2024

CHAC

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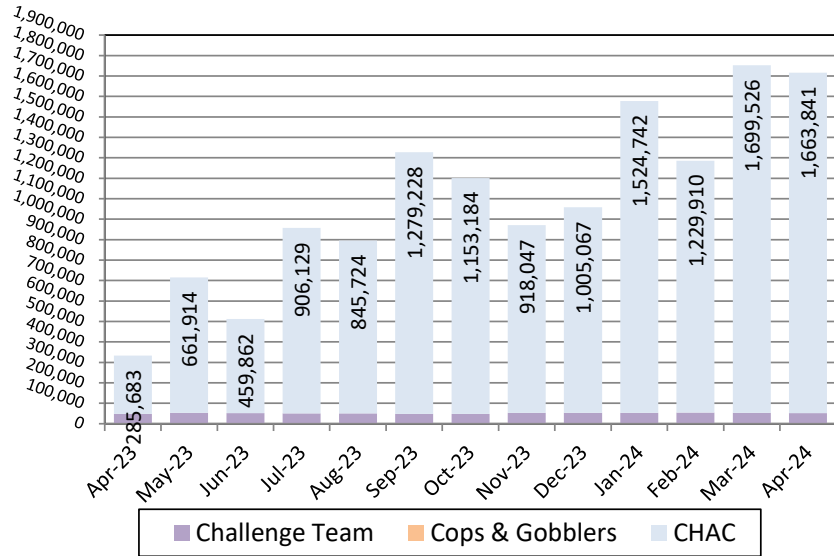
CHAC
Statement of Activities - Agency Wide
For the Period Ended April 30, 2024 - Actual vs. Budget

	Year-to-Date					Annual		
	Actual	Budget	Variance	PY	PY Variance	Budget	To Go	%*
Revenue								
Unrestricted								
Total Public Support	\$1,546,261	\$690,118	\$856,143	\$702,350	\$843,910	\$828,141	(\$718,120)	-87%
Total Other Support and Revenue	\$2,032,469	\$1,981,632	\$50,837	\$1,926,908	\$105,561	\$2,377,958	\$345,489	15%
Total Net Assets Released from Restriction	\$146,446	\$0	\$146,446	\$182,003	(\$35,557)	\$0	(\$146,446)	0%
Total Unrestricted	<u>\$3,725,175</u>	<u>\$2,671,749</u>	<u>\$1,053,426</u>	<u>\$2,811,261</u>	<u>\$913,914</u>	<u>\$3,206,099</u>	<u>(\$519,076)</u>	<u>-16%</u>
Temporarily Restricted								
Total Public Support	\$20,500	\$233,333	(\$212,833)	\$35,450	(\$14,950)	\$280,000	\$259,500	93%
Total Net Assets Released from Restriction	(\$146,446)	\$0	(\$146,446)	(\$182,003)	\$35,557	\$0	\$146,446	0%
Total Temporarily Restricted	<u>(\$125,946)</u>	<u>\$233,333</u>	<u>(\$359,279)</u>	<u>(\$146,553)</u>	<u>\$20,607</u>	<u>\$280,000</u>	<u>\$405,946</u>	<u>145%</u>
In-Kind Revenue								
In-Kind Revenue	\$678,011	\$0	\$678,011	\$978,048	(\$300,038)	\$0	(\$678,011)	0%
Total In-Kind Revenue	<u>\$678,011</u>	<u>\$0</u>	<u>\$678,011</u>	<u>\$978,048</u>	<u>(\$300,038)</u>	<u>\$0</u>	<u>(\$678,011)</u>	<u>0%</u>
Total Revenue	<u>\$4,277,240</u>	<u>\$2,905,082</u>	<u>\$1,372,158</u>	<u>\$3,642,756</u>	<u>\$634,483</u>	<u>\$3,486,099</u>	<u>(\$791,141)</u>	<u>-23%</u>
Expenses								
Operating Expenses								
Total Payroll Costs	\$2,098,940	\$2,214,622	\$115,683	\$2,716,129	\$617,189	\$2,657,547	\$558,607	21%
Total Non-Labor Expenses	\$930,234	\$690,460	(\$239,774)	\$798,412	(\$131,822)	\$828,552	(\$101,682)	-12%
Total Operating Expenses	<u>\$3,029,173</u>	<u>\$2,905,082</u>	<u>(\$124,091)</u>	<u>\$3,514,540</u>	<u>\$485,367</u>	<u>\$3,486,099</u>	<u>\$456,926</u>	<u>13%</u>
Total In Kind Expense	\$678,011	\$0	(\$678,011)	\$978,048	\$300,038	\$0	(\$678,011)	0%
Total Expenses	<u>\$3,707,184</u>	<u>\$2,905,082</u>	<u>(\$802,101)</u>	<u>\$4,492,588</u>	<u>\$785,405</u>	<u>\$3,486,099</u>	<u>(\$221,085)</u>	<u>-6%</u>
NET SURPLUS/(DEFICIT)	<u>\$570,056</u>	<u>\$0</u>	<u>\$570,056</u>	<u>(\$849,832)</u>	<u>\$1,419,888</u>	<u>\$0</u>	<u>(\$570,056)</u>	<u>0%</u>

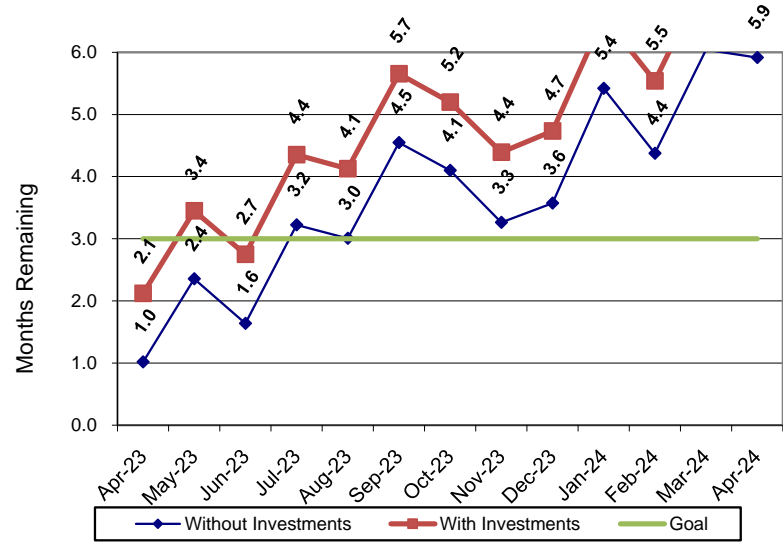
*% of annual budget remaining

CHAC
Dashboard 1
As of April 30, 2024

Cash (excluding Investments)



Months of Expenses on Hand*



* Calculated using average monthly budgeted expense

Operating Cash and Investments

Cash	April 30, 2024	March 31, 2024	February 29, 2024	January 31, 2024
WELLS FARGO CHECKING	-	-	-	-
HERITAGE CHECKING	1,715,740	1,752,798	1,285,082	1,577,914
HERITAGE PPP	17	17	17	17
Total Cash**	1,715,757	1,752,815	1,285,099	1,577,931
CHARLES SCHWAB	328,201	331,772	327,658	323,928
TD AMERITRADE	-	-	-	-
Total Cash & Investments	2,043,958	2,084,586	1,612,757	1,901,860
Change from previous month	(40,629)	471,829	(289,102)	

**Cash balance includes agency funds held as follows:

Funds Held for Challenge Team	51,916	53,289	55,189	53,189
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CHAC
Statement of Financial Position
As of April 30, 2024

	4/30/2024	3/31/2024	Monthly Chg. Incr./(Decr.)	4/30/2023	Audited 6/30/2023	Jun-23 to Apr 24 Incr./(Decr.)
ASSETS:						
Current Assets						
WFB Checking	-	-	-	-	-	-
Heritage Bank Merchant Acct	55,759	55,996	(236)	66,028	29,408	26,352
Heritage Bank Checking	1,659,981	1,696,802	(36,821)	267,219	482,215	1,177,765
Accounts Receivable	141,813	72,651	69,162	414,820	96,681	45,132
Unbilled Accounts Receivable	30,200	29,100	1,100	74,800	-	30,200
Pledges and Grants Receivable	-	-	-	-	304,000	(304,000)
Prepaid Expenses	25,983	27,351	(1,368)	15,730	64,255	(38,272)
Total Current Assets	1,913,753	1,881,917	31,836	838,615	976,576	937,177
Fixed Assets						
Land and Buildings	3,837,409	3,837,409	-	3,837,409	3,837,409	-
Furniture, Fixtures, Equipment	142,425	142,425	-	124,100	130,962	11,463
Intangible Assets - EMR System	169,363	169,363	-	169,363	169,363	-
Less: Accumulated depreciation	(937,972)	(928,950)	(9,022)	(829,227)	(847,750)	(90,222)
Total Fixed Assets	3,211,225	3,220,247	(9,022)	3,301,644	3,289,984	(78,759)
Other Assets						
Unemployment Insurance Deposit	26,849	26,849	-	60,567	50,811	(23,962)
Charles Schwab	328,201	331,772	(3,571)	307,120	310,365	17,836
TD Ameritrade Investment Account	-	-	-	2,926	2,890	(2,890)
Long-term Grants Receivable	304,000	304,000	-	-	304,000	-
Total Other Assets	659,049	662,620	(3,571)	370,613	668,066	(9,016)
TOTAL ASSETS	5,784,027	5,764,784	19,243	4,510,871	4,934,625	849,402
LIABILITIES & NET ASSETS:						
Current Liabilities						
Accounts Payable	43,209	19,986	23,223	22,517	37,958	5,251
Accrued Expenses	1,405	396	1,009	5,923	9,158	(7,753)
Accrued Payroll Liabilities	2,581	2,581	-	540	61,636	(59,055)
Accrued Vacation	101,903	106,038	(4,135)	124,514	84,519	17,383
Deferred Revenue	323,381	451,152	(127,771)	14,977	0	323,381
Loan Payable	-	-	-	-	-	-
Funds Held for Challenge Team	51,916	53,289	(1,373)	47,581	51,778	138
Total Current Liabilities	524,395	633,442	(109,047)	216,052	245,049	279,346
NET ASSETS						
Net Assets Without Donor Restrictions						
Undesignated	774,760	624,215	150,546	(294,275)	(1)	774,761
Board Designated - Operating Reserve	641,743	641,743	-	1,027,103	641,743	-
Board Designated - Mary White Scholarship Fund	3,400	3,400	-	3,400	3,400	-
Board Designated - Capital Reserve	116,000	116,000	-	116,000	116,000	-
Invested in Property & Equipment	3,211,225	3,220,247	(9,022)	3,301,644	3,289,984	(78,759)
Total Net Assets Without Donor Restrictions	4,747,128	4,605,604	141,524	4,153,872	4,051,126	696,002
Net Assets With Donor Restrictions	512,504	525,737	(13,233)	140,947	638,450	(125,946)
Total Net Assets	5,259,632	5,131,342	128,290	4,294,820	4,689,576	570,056
TOTAL LIABILITIES & NET ASSETS	5,784,027	5,764,784	19,243	4,510,871	4,934,625	849,402



MINUTES

Special Executive Committee Meeting

590 W. El Camino Real, 1st Floor Conference Room

Wednesday, May 15, 2024

1:00-2:00 pm

Voting Members: Kevin Duggan* (Chair), Leona Pearce (Vice Chair),
Jessica Mancini (Secretary), Sandy Bergan, Laura
Blakely, Phil Faillace*

Ex-Officio Non-Voting Member: Anne Ehresman, Interim Executive Director

Absent: George Tyson (Treasurer)

Public (4)

1) **APPROVAL OF AGENDA:** Motion for approval by Kevin Duggan, seconded by Sandy Bergan, unanimously approved.

2) **APPROVE THE APRIL 17, 2024 MINUTES (ATTACHED):** Motion for approval by Jessica Mancini, seconded by Sandy Bergan, unanimously approved.

3) **COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA - NONE**
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4) **ITEMS FOR DISCUSSION OR ACTION**

- **JPA Partner Agency Meetings (Jannie Quinn)**
 - CHAC received agreements from Pacific Clinics to review for consideration. Sequence: 1) CHAC Board will need to approve before 2) bringing amended JPA Agreement before each member agency for approval. Amended JPA Agreement will include tail obligations and steps to dissolution.
- **Due Diligence Update (Interim ED + Board Due Diligence Committee)**
 - Overview of current status and projected closing costs
 - CHAC and Pacific Clinics met 5/6, Pacific Clinics executive meeting held 5/9, draft agreements sent to CHAC for consideration.
 - PC received award for FRC/First 5; \$2M over three years; service area includes north Santa Clara County and Morgan Hill; anticipate jobs posted in next three weeks with goal of continuity of services

- Program transitions underway; PC doctoral practicum five students matched for 2024-25 training year will be transferred to PC with job postings to be posted; intern transitions being discussed
- Projected closing costs (staffing doctoral intern supervision thru Aug 2, boxing records, max unemployment in trust, PTO payout post 6/30, 990 tax form; audit recommended for current fiscal year, 990 for future years, insurance, etc.) ~ \$841K without severance or oversight
- Projected cash June 30, 2024 ~\$1.5M (\$169k outstanding with First 5; tax credit notification with week – anticipate 1Q)
- Unemployment and Covered California session; HR consultant for resume/job search/coaching
- **Chair Report - NONE**

5) **CLOSED SESSION**

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(Government Code Section 54956.8)

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- Agency negotiator: Board Chair Kevin Duggan and Anne Ehresman, Interim Executive Director
- Negotiating parties: Pacific Clinics
- Under negotiation: Price and terms of payment

Closed Session started 1:20 p.m.

MOTION made by Laura Blakely to recommend presenting PC agreements to the CHAC Board at next week's session 5/22. Seconded by Phil Faillace, unanimously approved.

6) **OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION AT 2:12 P.M.**

Report of actions taken in closed session. **NONE**

7) **SUGGESTIONS FOR AGENDA ITEMS FOR MAY 22, 2024 BOARD MEETING:**

- A. Consent Calendar:
 1. Minutes Approval
 2. Executive Committee Report (Kevin)
 3. Finance Committee Report – No May Meeting (George)
 4. Governance Committee – No May Meeting (Laura)
 5. Development Committee Report – No May Meeting (Sandy)
- B. Due Diligence Update | Interim ED Report

- C. CLOSED SESSION
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)
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 2. Agency negotiator: Board Chair Kevin Duggan and Anne Ehresman, Interim Executive Director
 3. Negotiating parties: Pacific Clinics
 4. Under negotiation: Price and terms of payment
- D. Schedule Special Board Meeting for late May/early June

8) **ADJOURNMENT** Motion to adjourn by Laura Blakely, seconded by Sandy Bergan, unanimously approved. 2:33 p.m.

REVIEW Upcoming Dates:

Finance Committee Meeting – Wednesday, June 19, 2024, 1:00 p.m.
Executive Committee Meeting – Wednesday, June 19, 2024, 3:30 p.m.

Board of Directors Meeting – Wednesday, June 26, 2024, 4:30 p.m.

REMOTE BOARD MEMBER	LOCATION
Phil Faillace	800 Dixon Way, Los Altos
Kevin Duggan	Hyatt Regency, Room 1421, 21500 Pacific Coast Hwy Huntington Beach, CA 92648

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To: CHAC Development Committee
 From: Rakhee Kaushik, Development Director
 Date: May 15, 2024

FUND DEVELOPMENT 2023-24							
GIFTS	GOAL	4Q (5/15)	3Q	2Q	1Q	TOTAL RAISED	TO BE RAISED
Individuals	\$182,000	\$1,008	\$20,766	\$86,990	\$37,041	\$145,805	\$36,195
Foundations/ Corporations	\$120,000	\$17,225	\$54,908	\$32,175	\$25,401	\$129,709	-\$9,709
El Camino Health District	\$280,000				\$304,000	\$304,000	-\$24,000
Total Goal/ Raised	\$582,000	\$18,233	\$75,674	\$119,165	\$366,442	\$579,514	\$2,486

RECEIVED:

- \$14,200 from Los Altos Town Crier Holiday Fund
- \$3,000 from Foothills Congregational Church

WINDING DOWN:

- All recurring donors, all grantors, most major donors have been officially informed that we are in due diligence with PC, and “we remain committed to upholding the historical legacy of CHAC by providing high-quality mental health treatment through the end of the June 30, 2024, fiscal year.”
- We intend to remove the “donate” button on our website by end of May
- All reports for existing grants will be sent out as planned, by end of June
- Communication will be sent to all in our database next week, offering two opportunities for the community to bid goodbye and honor CHAC’s legacy:
 - June 8 at the FRC-City of Mountain View Summer Kick Off at Rengstorff Park
 - June 20 at our office



To: CHAC Board of Directors
From: Anne Ehresman, Interim Executive Director
Date: May 17, 2024
Re: Executive Director Report

CHAC OPERATIONS

CHAC operations are sunsetting on June 30, 2024. We will close out our school services in early June and wrap up our FIRST 5 contract to operate the Family Resource Centers on June 30.

CHAC has 41 employees. Most will be transitioned off payroll by the end of June. A small crew will be needed through August 15 to provide closure to the APA Doctoral Internship program, as well as winddown activities related to client and business records.

NOVAworks will be providing a special layoff assistance workshop on May 28 for all CHAC employees to help them with unemployment claims, Covered California, and job search assistance. NOVAworks (Sunnyvale) is a nonprofit, federally funded employment and training agency that provides customer-focused workforce development services.

We are calculating the winddown expenses for the organization after June 30th including unemployment trust coverage for 24 months after the last employee is exited.

FINANCIAL POSITION

CHAC's financial position remains strong due to the Santa Clara County \$1M Sustainability Grant. The final disposition is still pending for the IRS Audit of our Employee Retention Tax Credit filed in March 2023. The threshold for approval has been raised and we are unlikely to receive a refund.

- We are projecting cash on hand post June 30, 2024 at \$1.5M.
- Our estimated dissolution expenses post June 30, 2024 are \$850k-\$950k.
NOTE: Employee severance has not been included

JPA UPDATE

A revised JPA Agreement is being prepared to include steps for dissolution and coverage of tail obligations. Jannie Quinn (JPA Legal Counsel) is providing support to each member agency and will prepare staff report, the revised JPA Agreement, and necessary resolutions to go before each council or school board before June 30. **We anticipate that oversight of the winddown activities of the JPA will be needed for 24 months.**

DUE DILIGENCE

NET ASSET TRANSFER: Pacific Clinics' legal counsel has taken a conservative view of what constitutes a liability and is drawing a hard line on several items that impacts our dissolution expenses, including:

- No medical records
- No website retention
- No business records
- No unemployment trust management

The employment prospects for long-time, specialized CHAC employees are limited in the Pacific Clinics system. In April, Pacific Clinics hosted four employment sessions for CHAC staff and trainees to help them understand their job postings and employment process. The greatest number of open positions are in direct clinical services.

FAMILY RESOURCE CENTERS: FIRST 5 is ending all contracts in Santa Clara County in June 2024 (including ours) and issued a Request for Proposals for new services for 2024-27. They have reduced their overall budget by 2/3 because of the decline in cigarette taxes that fund FIRST 5. *We asked Pacific Clinics to be the lead agency in the proposal to extend services to low-income families in our region.* **Pacific Clinics received notification on April 10th of the intent to negotiate on services for the region. Contract negotiations are still pending.**

CLINICAL TRAINING PROGRAM: Psychology Doc Practicum (Match date April 19): Matched students (5) will be directed to the Pacific Clinics job board to enter into their system for FY24-25. Clinical Supervisor positions will be posted soon to support these trainees.

TARGET DATES OF LOI

REVISED DATE

- February 28: Pacific Clinics Site Visit to CHAC Building
- March 19: Pacific Clinics meets with CHAC Staff
- March 27: Pacific Clinics presents at CHAC Board Meeting
- ~~April 15:~~ Complete Due Diligence/Draft the Deal
- ~~May 9:~~ Pacific Clinics Board Approves Deal
- ~~May 22:~~ CHAC Board Meeting for Approval
- May 31: Develop Transition Plans
- July 1: Transaction Closing Date

MID MAY
AFTER CHAC BOD APPROVES
TBD

THANK YOU TO THE BOARD AD-HOC DUE DILIGENCE COMMITTEE FOR THEIR TIME