SOUTHSIDE BEHAVIORAL HEALTH

BOARD OF DIRECTORS MEETING - 23 JUNE 2026

A regular meeting of the Southside Behavioral Health (SBH) Board of Directors was held, in Open Session, at 1:00 pm on **6/23/2026**, in the **Chipps Conference Room**, at the SBH Modlinski Building in Clarksville, Virginia, with Debbie Knox, Board Chair, presiding.

ATTENDANCE

MEMBERS PRESENT

Debbi Knox (Chair)
Stuart Comer (Vice-Chair)
Angela Hupp (Treasurer)
Tammy Mull
Joan Bower (Secretary)
Jessica Lafoon
Carlton Walker
Mandi Calhoun [1]

MEMBERS ABSENT

OTHER ATTENDEES

SBH Staff Members:
Heather Petrus, Executive Director
Paul Mandel, Deputy Executive Director
Nicole Lewis, Director of Quality and Compliance
Kameelah Singleton, Director of Human Resources
Galyna Hightower, Director of Finance
Buck Buchanan, Facilities Operations Manager
Grace Dunn, Housing Administrator
Theresa Crenshaw, Accountant
Taylor Durbin, Payroll Coordinator
Jada Clark, Children Services Therapist
Jenna Dahl, Prevention Specialist
Kathryn Wilson, Clerk of the Board

PROCEEDINGS

I. CALL TO ORDER

The meeting of Southside Behavioral Health Board of Directors was called to order at **1:03 pm** by **Debbie Knox**, Board Chair. A quorum of Board members being present in-person, with the meeting having been duly convened, the Board was ready to proceed with business.

[1] Remote Participation Disclosure: Member participated via Google Meet due to an unexpected caretaking obligation involving a minor child under her temporary care. Participated while in transit through Mecklenburg, Brunswick, Dinwiddie, Prince George, and Chesterfield Counties. The member disconnected and left the meeting at 3:24 pm.

II. APPROVAL OF BOARD MINUTES AND PRIOR RECORDS

April 21, 2026 Board Meeting: Upon a motion duly made and seconded, the Board unanimously approved the minutes of the April 21, 2026 regular board meeting as distributed.

May 26, 206 Inquorate Meeting: Upon a motion duly made and seconded, the Board unanimously approved the Record of Proceedings (No Quorum) for the May 26, 2026 **gathering** as distributed.

III. PUBLIC COMMENTS

None

IV. BOARD EDUCATIONAL TOPIC

None

V. EMPLOYEE OF THE MONTH – April & May 2026

The selection of the Employee of the Month for April, Jada Clark, Children Services Therapist at Halifax Children and Family Services, was announced to the Board. The selection of Employee of the Month for May, Jenna Dahl, Prevention Specialist, was announced to the Board.

VI. UNFINISHED BUSINESS

Item A. VaCorp Insurance Ratification

The Chair noted that due to a lack of a quorum at the May meeting, the renewal of the organization's insurance policy could not be formally approved before its expiration. By unanimous consent, the Board voted to ratify the renewal of the VAcorp insurance policy for FY 27 at a cost of $152,385.

Item B. Ashley Manor Advance Request & Presentation

A status report was provided for Ashley Manor. Funding is secure for the fiscal year, though July–December funding is outstanding. Following a Capital Needs Assessment, HUD approved a rental rate increase from $671 to $2,070 per month effective April 1 to fund capital projects like window and door replacements. Additionally, management has submitted a revised proposal to HUD requesting to take five units offline (increased from the original request of three). This restructuring will adjust unit rents, optimize occupancy to 100% for active rooms, and ensure the property fulfills its budget targets.

MOTION: Upon motion made by D. Knox, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes that we advance Ashley Manor $10,400 to cover the cost from

July to December 2026.

Item C. Slate of Officers for FY 2027

The Nominating Committee delayed its report as a slate of officers for the next fiscal year has not yet been finalized. General discussion was held regarding potential nominees, and D. Knox consented to remain as Board Chair. The matter was postponed until the August 2026 meeting; no formal action was taken.

Item D. Board Training Update

The Executive Director announced that Joel Rothenburg, a consultant/representative with the Virginia Department of Behavioral Health and Developmental Services (DBHDS), will facilitate a specialized board training session during the September 2026 meeting. The training session will cover roles and responsibilities of board members along with information about the Performance Contract for Community Services Boards.

VII. FINANCIAL REPORT

Galyna Hightower, Director of Financial Services presented the proposed FY 27 Operating Budget, with additional commentary provided by Executive Director, Heather Petrus. The proposed budget reflects a 3.22% decrease (approximately $728,000) from the FY26 budget, utilizing a more conservative revenue model based on actual program capacities and realistic staff allocation tracking. The budget incorporates a projected 2% payroll increase and mandatory health insurance and retirement rate adjustments; however, the formal implementation timeline for employee raises will be brought back to the Board in August once final funding numbers are confirmed by DBHDS. Following board discussion, the budget was brought to a vote.

MOTION: Upon motion made by J.Lafoon, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve and adopt the proposed FY27 Budget as presented.

VIII. NEW BUSINESS

Item A. Transfer of Brandon Home

Grace Dunn, Housing Administrator presented turning Brandon Home into HUD, as it was not "feasible" for Southside Behavioral Health to keep as the 2 clients and staff that remained transferred from Brandon Home to Southside Behavioral Health's Hope House. While there's 8 years remaining on the contract, it can be turned over to HUD without financial repercussion. CITE DOCUMENT

MOTION: Upon motion made by S. Comer, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve the termination of the HUD Section 811 Capital Advance agreement for Brandon Home and the formal surrender of the property, including the transfer of the property deed, to the U.S. Department of Housing and Urban Development (HUD).

ITEM B. FY27 Budget Approval

This item was addressed and voted upon earlier in the meeting during the Financial Report section. See page 3 of 8 for details.

ITEM C. Capital Improvements

Buck Buchanan, Facilities Operations Manager, presented an update on commercial cleaning contracts and a five-year maintenance outlook. Last fiscal year, cleaning costs totaled $158,000. In evaluating options for a comprehensive, agency-wide cleaning contract, several vendors were eliminated due to capacity. One remaining service quote of $265,000 exceeded the $250,000 state threshold, requiring the agency to initiate a formal Request for Proposals (RFP) process. To ensure continuity of service, current cleaning contracts have been extended through September while competitive bids are reviewed.

The five-year maintenance outlook projects a total long-term need of $4.35 million for general agency facilities and $1 million for the vehicle fleet. For the upcoming fiscal year, prioritized "must-have" compliance and infrastructure projects are projected to cost $482,000. These include 18 HVAC units, Highway 58 hallway flooring repairs, Mecklenburg Children and Family Services (MCFS) roof and exterior remediation, five water heaters for Kings Manor, and repairs to two of the restrooms, removal of wallpaper, and painting needed at the Brunswick Creative Innovations Center. These immediate capital expenses will be partially offset by the pending sale of the Brunswick Support Coordination Center, which is expected to net approximately $110,000.

MOTION: Upon motion made by D. Knox, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve up to $400,000 for capital improvements.

ITEM D. New Supplemental Dental Plan for Aflac- FY 2027

Taylor Durbin, Payroll Coordinator, presented a proposal to expand the agency's current supplemental Aflac benefits (which currently include cancer, accident, critical illness, and short-term disability coverage) to include a dental insurance option. This coverage can either complement an employee's existing agency health plan or be selected as a standalone policy. The plan is a voluntary, 100% employee-paid expense managed through pre-tax, semi-monthly payroll deductions. Durbin noted that 12 employees have already expressed interest, and a key benefit of the plan is portability, allowing employees to take the policy with them at their locked-in rate if they leave the agency.

MOTION: Upon motion made by S. Comer, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve offering Aflac's supplemental dental insurance for the 2027 fiscal year.

IX. EXECUTIVE DIRECTOR'S REPORT

Petrus presented a proposal to transition to Eleos, an AI-powered healthcare platform and workflow engine, as a replacement for the current AI system within Credible to help therapists and psychiatrists do all of their documentation. It will also serve as a replacement for the current compliance program used to audit the charts. Eleos combines both the AI and compliance pieces into a single platform. Additionally, the new system expands capabilities to include psychiatry—which the current system does not do—and increases the agency's user capacity from 15 seats to 49 seats. The proposed three-year contract with Eleos will cost a total of $76,440.

MOTION: Upon motion made by J. Bowers, duly seconded, the following resolution carried unanimously.

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve Heather Petrus, Executive Director, to execute a contract with Eleos as presented.

Medicaid Compliance and Quality Assurance Update

Petrus, briefed the Board on a systemic Medicaid compliance issue concerning medication-management-only charts, noting regulatory deficiencies in required documentation dating back approximately 10 years. In response, the agency immediately suspended billing for psychiatry and medication-only services, initiated a comprehensive internal audit of the affected charts, and is working to implement updated, compliant documentation templates.

Petrus then turned the floor over to Nicole Lewis, Director of Quality and Compliance, to provide an update on the progress and findings of the ongoing internal chart audit.

Management has retained a specialized Medicaid behavioral health attorney to guide the internal investigation, review audit results, and handle proactive self-disclosure and negotiations with Medicaid. To prevent future systemic issues, management also highlighted the need to restructure internal compliance functions to prioritize strict clinical Medicaid compliance.

Human Rights Investigation Notification

Petrus informed the Board of a founded human rights investigation regarding a staff medication administration error. Internal reporting protocols successfully flagged the incident, and appropriate disciplinary and corrective actions have been implemented with the involved staff member.

Attendance Note: Board Member Mandi Calhoun, who was participating remotely via electronic communication, disconnected and exited the meeting at approximately 2:55 p.m., prior to Closed Session.

X. CLOSED SESSION

MOTION: Upon motion made by D. Knox and seconded, the Board entered into Closed Session at 2:56 pm to discuss personnel matters regarding the Executive Director's employment contract, pursuant to Virginia Code § 2.2-3711(A)(1).

MOTION: Upon a motion duly made by D. Knox and seconded, the Board voted unanimously to exit Executive Session and return to regular open session at **4:08 p.m.**

The Chair immediately polled the Board, requesting each member to certify by individual affirmative vote that, to the best of their knowledge, only public business matters lawfully exempted from open meeting requirements and identified in the original convening motion were heard, discussed, or considered during the closed session.

The certification was approved via roll-call vote as follows:

- **Ayes:** [S. Comer, J.Bowers, A.Hupp, J.Lafoon, T.Mull, C. Walker]
- **Nays:** None.
- **Absent for Vote: [Mandi Calhoun]**.

Following the return to open session at 4:08 p.m. and the subsequent FOIA certification, the Board directed the Clerk to record the framework for two upcoming resolutions regarding the Executive Director's contract:

- **Resolution 1 (Contract Alignment Framework):** A proposal to change the Executive Director's contract term to run from July 1 through June 30 annually to coincide with Southside Behavioral Health's fiscal year.
- **Resolution 2 (Compensation Package Framework):** A proposal to approve a transitional compensation package for the Executive Director to cover the six-month transitional contract alignment period (January 1, 2027, through June 30, 2027).

The Board took no formal or binding votes on these resolutions prior to adjournment. These matters will be placed on the Open Session agenda for formal board action at the next regularly scheduled meeting.

XI. NEXT MEETING

The next regular meeting of the Board of Directors meeting is scheduled as an all-virtual electronic meeting for Tuesday, August 25, 2026 at 1:00 p.m. via Google Meet, conducted in strict accordance with the Board's annually adopted VFOIA All-Virtual Public Meetings Policy. Public access information will be provided on the agency's website in compliance with state notice requirements.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by J. Bowers and seconded, the meeting was unanimously adjourned at 4:10 p.m.

Respectfully Submitted,

Kathryn Wilson

Kathryn Wilson, Clerk of the Board
Southside Behavioral Health

9/22/26

Date of Approval