SOUTHSIDE BEHAVIORAL HEALTH

BOARD OF DIRECTORS MEETING - 22 SEPTEMBER 2026

A regular meeting of the Southside Behavioral Health (SBH) Board of Directors was held, in Open Session, at 1:00 pm on 9/22/26, in the Chipps Conference Room, at the SBH Modlinski Building in Clarksville, Virginia, with Debbi Knox, Board Chair, presiding.

ATTENDANCE

MEMBERS PRESENT

Debbi Knox (Chair)
Stuart Comer (Vice-Chair)
Angela Hupp (Treasurer)
Joan Bower (Secretary)
Jessica Lafoon
Mandi Calhoun

MEMBERS ABSENT

Tammy Mull
Carlton Walker

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
Kiana Wiley, Human Resources Assistant
Sara Weisman, Marketing and Grant Coordinator
Patrice Peebles, Residential Facilitator
Bernice Carrington-Barzilay, Front Desk Floater
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 Debbi 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.

II. APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the Board unanimously approved the minutes of the November 25, 2025, February 24, 2026, and June 23, 2026 regular board meetings as distributed.

(Ayes: 6, Nays: 0, Absent: 2)

(Note: This action formally re-affirms and cures prior approval votes to ensure full statutory compliance under the Virginia Freedom of Information Act).

III. PUBLIC COMMENTS

None

IV. BOARD EDUCATIONAL TOPIC

None

V. EMPLOYEE OF THE MONTH – June, August and September 2026

The following Employee of the Month selections were announced to the Board: Patrice Peebles, Residential Facilitator at Ashley Manor (June 2026); Kiana Wiley, Human Resources Assistant (August 2026); and Bernice Carrington-Barzilay, Front Desk Floater (September 2026).

VI. UNFINISHED BUSINESS

Item A. Board Training

Prior to scheduled business, the Chair announced that the board training scheduled for today would be rescheduled due to the presenter's absence. The Chair noted that the presentation materials would also be included in the orientation packet for new board members.

Item B. Electronic Meetings Policy Adoption

The Board reviewed the proposed Electronic Meeting Policy. In accordance with Virginia Code § 2.2-3708.3(D), public bodies must annually approve a uniform remote participation policy by a recorded vote to allow members to participate electronically under authorized circumstances.

MOTION: Upon motion made by M. Calhoun and duly seconded, the following resolution carried (Ayes: 6, Nays: 0, Absent: 2).

RESOLUTION: *BE IT RESOLVED,* that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to adopt the Individual Remote Participation and All-Virtual Public Meetings Policy as presented.

Item C. Ratification of Member Remote Participation

To ensure full statutory compliance with Virginia Code § 2.2-3708.3 following the formal adoption of the Electronic Meeting Policy, the Board considered the ratification of Member Mandi Calhoun's remote participation in the meeting held on June 23, 2026.

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

(Ayes: 5, Nays: 0, Abstentions: 1- M. Calhoun, Absent: 2).

RESOLUTION: BE IT RESOLVED, that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to ratify board member Mandi Calhoun's virtual participation during our June 2026 in-person board meeting while in transit through Mecklenburg, Brunswick, and Dinwiddie Counties and the City of Petersburg due to a personal matter (an unexpected caretaking obligation).

Item D. Executive Director's Contract Alignment and Compensation Package

Staff presented for Board consideration the formal ratification of the Executive Director's contract alignment and compensation package. Following the adoption of the Board's Electronic Meeting Policy pursuant to Virginia Code § 2.2-3708.3, this action re-affirms and ratifies the proposal to ensure full statutory compliance under the Virginia Freedom of Information Act.

MOTION: Upon motion made by S. Comer and duly seconded, the following resolution carried (Ayes: 6, Nays: 0, Absent: 2).

RESOLUTION: BE IT RESOLVED, that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to formally adopt and ratify the Executive Director's Contract Alignment and Compensation package as presented in August 2026.

Item E. Omnibus Ratification

To ensure complete statutory compliance under the Virginia Freedom of Information Act (VFOIA) following the formal adoption of the Board's Electronic Meeting Policy pursuant to Virginia Code § 2.2-3708.3, the Board considered an omnibus ratification of all official actions, motions, votes, and business items conducted during prior meetings held without a remote participation policy in place.

MOTION: Upon motion made by S. Comer and duly seconded, the following resolution carried (Ayes: 6, Nays: 0, Absent: 2).

RESOLUTION: BE IT RESOLVED, that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to ratify all of the actions provided in Exhibit A, attached to these minutes.

VII. FINANCIAL REPORT

Galyna Hightower, Director of Financial Services, presented the balance sheet comparison for July to August 2026. Cash increased following the receipt of full local match funds from Brunswick and Mecklenburg counties and 1st quarter funds from Halifax county. Deferred revenue increased slightly, accounts receivable fluctuated within normal parameters, and prepaid expenses decreased as anticipated for the beginning of the fiscal year. Overall, balance sheet activity remained steady.

Mrs. Hightower reported that the FY2026 annual audit is currently in progress and will be presented at

the November 2026 Board meeting. She noted that because the current auditor's contract is expiring, the agency will issue a Request for Proposals (RFP) for FY2027 auditing services, seeking a multi-year agreement for up to five years. In response to a question from the Board Chair, Mrs. Hightower affirmed that the RFP process will adhere to standard agency procurement protocols.

Executive Director H. Petrus added that the RFP will specifically request auditor expertise in establishing a negotiated federal indirect cost rate. Executive Director Petrus explained that existing state contracts currently cap administrative and overhead allowances up to 15%, whereas the agency's actual overhead is approximately 20%. Establishing an approved federal rate will allow for higher reimbursement across federal funding streams and better align reimbursements with true operating costs.

Mrs. Hightower then presented the budget-to-actual expense comparison two months into the fiscal year. She noted a current net position deficit of $33,000, but clarified that this represents a timing differential rather than an operational deficit. Specifically, several revenue line items currently reflect zero actuals because federal grants operate on the federal fiscal year (October 1 through September 30). In the interim, state funds cover these initial expenses until federal funds become available in October. Management remains focused on increasing service productivity and revenue, while Finance optimizes funding usage, including the allowable 15% state administrative overhead allocation. Additionally, the Funding Coordinator is actively participating in finance-related grant requests and reporting. Mrs. Hightower noted that Finance will continuously monitor and reallocate budget line items as needed to account for vacant positions, shifting funding streams, productivity variations, or new Department of Behavioral Health and Developmental Services (DBHDS) requirements.

Mrs. Hightower added that agency leadership is meeting internally to establish a plan to submit to DBHDS regarding unspent state fund balances, specifically, certain prior year state funds held by Southside Behavioral Health, as DBHDS now requires formal spending plans.

Furthermore, Executive Director Petrus highlighted a critical compliance change: beginning this fiscal year, once a CSB reaches a 25% unexpended fund threshold from the prior year without an approved spending plan from DBHDS, the agency may have its funding paused.

Mrs. Hightower concluded her report by presenting an informational letter from the agency's auditing firm outlining proactive steps taken by the firm with the Virginia Board of Accountancy to resolve an administrative licensing oversight.

VIII. NEW BUSINESS

Item A. Bylaws Revision

The Board reviewed a proposed amendment to Article 7, Section F of the Southside Behavioral Health Bylaws. It was noted that the current bylaws misstated statutory caps under Virginia Code § 2.2-3708.3(B)—specifically, applying a two-meeting annual limit across all remote participation, whereas state law restricts that cap solely to personal matters and allows unlimited remote participation for medical conditions, caregiving obligations, or travel distances exceeding 60 miles. Additionally, under §

2.2-3708.3(D), public bodies are required to annually adopt a standalone, uniform policy governing remote participation rather than embedding those specific, evolving terms directly within the bylaws. To maintain full legal compliance and ensure the bylaws properly reference the separate policy, the Board took the following action:

MOTION: Upon motion made by S. Comer, duly seconded, the following resolution carried (Ayes: 6, Nays: 0, Absent: 2).

RESOLUTION: BE IT RESOLVED, that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to approve the amendment to **Article 7, Section F of the Southside Behavioral Health Bylaws**, as presented:

"Section F. Electronic Meetings and Remote Participation: Meetings of the Board of Directors and its committees may be held electronically, and individual members may participate remotely, to the fullest extent permitted by § 2.2-3708.3 of the Code of Virginia. The Board shall adopt and maintain a separate, uniform 'Individual Remote Participation and All-Virtual Public Meetings Policy' by a recorded vote at a public meeting, which shall govern all such meetings and individual participation."

ITEM B. Deputy Executive Director Signature Authority

Following the transition of Paul Mandel from Interim to permanent Deputy Executive Director, the Board acted to align official agency authorization records to reaffirm his signatory authority.

MOTION: Upon motion made by S. Comer, duly seconded, the following resolution carried *(Ayes: 6, Nays: 0, Absent: 2).*

RESOLUTION: BE IT RESOLVED, that the Board of Directors for Southside Behavioral Health, in regular meeting assembled, votes to reaffirm and approve full signatory authority for Paul Mandel in his permanent role as Deputy Executive Director, following his transition from Interim Deputy Executive Director.

ITEM C. Housing Facilities and Developmental Services Update

Paul Mandel, Deputy Executive Director, provided an update on agency housing facilities, operations, and upcoming regulatory changes. Regarding Ashley Manor, HUD denied the agency's request to reduce room capacity following approximately a year-long process. However, the facility is currently experiencing an influx of applications, with two in process to bring occupancy to six residents and a third under review that could increase capacity to seven. Mr. Mandel noted that as occupancy grows, the agency will need to hire two additional staff members—one for second shift and one for third shift—to maintain required staffing ratios. Additionally, staff are exploring HUD's Rental Assistance Demonstration (RAD) program, which could offer long-term loan opportunities and increase funding, though access to this program is approximately a year away. In response to an inquiry from the Chair regarding repairs, Mr. Mandel confirmed facilities are in good standing, and Executive Director H. Petrus added that recent budget allocations permitted comprehensive improvements across all HUD properties.

Turning to other residential properties, Mr. Mandel reported that King's Manor currently has three residents and two openings, with one candidate application in process and a second prospective

individual from Halifax County under review. The agency plans to allocate a recently available Community Living Waiver to assist the second candidate. Board member J. Lafoon shared that the Bailey Center has received inquiries regarding living arrangements for older family members and is actively referring them to the agency. Mr. Mandel noted that Hope House currently has three openings that could accommodate individuals needing that level of care without navigating the HUD application process.

Lastly, Mr. Mandel highlighted two upcoming statewide waiver modifications affecting Developmental Services. Effective January 1, 2027, personal assistance hours will be capped at 56 hours per week, aligning with the CCC Plus Waiver, unless a hardship exception is approved. Additionally, effective July 1, 2027, DBHDS and DMAS will eliminate traditional Service Facilitators for consumer-directed programs. Services will transition to Public Partnerships, LLC (PPL), where staff operating as Support Brokers will still do the plans as a service facilitator would do, but under PPL.

IX. EXECUTIVE DIRECTOR'S REPORT

To manage the impact of HR 1 and the risk of clients losing their Medicaid benefits, Executive Director H. Petrus shared that the agency is actively connecting individuals with the Department of Social Services (DSS). Case managers, therapists, and outreach staff are focused on guiding clients through the Medicaid recertification process so they do not experience a loss or lapse in services. Mrs. Petrus added that because Southside serves a smaller client base composed primarily of individuals with Serious Mental Illness (SMI) and/or substance use, the overall impact on our CSB is expected to be lower than what other CSBs throughout Virginia may face.

Regarding workforce development, state funding became available again to focus on staff development, leadership training, tuition reimbursement, and covering the difference between state bonus amounts and actual costs. Human Resources Director Kameelah Singleton noted that the goal is to make the process simpler this time, as a lack of employee interest in tuition and licensure reimbursement during the last cycle required reallocating funds to prevent losing the funding. In response to an inquiry from the Chair regarding communication, Mrs. Singleton confirmed that information was sent via email to managers and agency-wide. Mrs. Petrus added that the agency holds a rural designation providing loan forgiveness for psychiatric providers, nurse practitioners, and therapists, with one staff member currently utilizing it. Mrs. Singleton noted that while staff applied for Virginia Department of Health loan forgiveness, several declined the awards due to strict stipulations, such as requiring full repayment if out of work for more than six weeks.

Mrs. Petrus then reported on the state's July 1, 2027 implementation of the Medicaid redesign. After participating in a workgroup to share her experience with New York State's Medicaid redesign—which was presented to the legislature through VACSB—the VACSB issued a document to Executive Directors confirming the legislature is considering a higher proposed rate for service sustainability, and staffing patterns. For the agency, legacy Psychosocial Rehabilitation (PSR) programs will phase out on July 1, 2027, impacting 42 current clients. Proposed services to transition to are peer-run recovery centers (based on a Clubhouse model) and Psychiatric Treatment and Support. While the proposed rate is $95 per day per member—an increase over current PSR rates—the recovery center model requires a separate building with an approved industrial kitchen for client job-skills and meal preparation, rather than remaining co-located with IDD day programs. Additionally, Mrs. Petrus noted that Adult Community Psychiatric Support and Treatment (CPST) is not a feasible replacement for PSR due to low 15-minute billing rates, high master's-level staffing requirements, and mandatory 24/7 crisis response. However, children's CPST embedded in schools is a viable model; the agency currently has therapists in Mecklenburg and Halifax county schools and plans to expand these services over the next few years to generate revenue and offset adult-side losses.

Leadership updated the Board on upcoming events, staff recognition, and operational progress. Board

members were invited to the Crisis Receiving Center Open House on October 14, 2026 (4:00–6:00 p.m.)—where mobile crisis workflows and policies continue to advance—and Staff Appreciation Day on October 16, 2026 (11:00 a.m.–4:00 p.m. at World of Sports). Beyond these events, leadership highlighted year-round recognition strategies, including honoring awareness observances, encouraging supervisor appreciation, and bringing food trucks to agency sites. To support staff retention, particularly at the Crisis Receiving Center where most staff are new, leadership is prioritizing clear direct communication and structured, step-by-step procedures.

X. NEXT MEETING

The next regular meeting of the Board of Directors meeting is scheduled as an all-virtual electronic meeting for Tuesday, October 27, 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.

XI. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by S. Comer and seconded, the meeting was unanimously adjourned at 2:35 p.m.

Respectfully Submitted,

Kathryn Wilson

Kathryn Wilson, Clerk of the Board
Southside Behavioral Health

10/27/26

Date of Approval

EXHIBIT A: Actions/Decisions made in Virtual Meetings: February 3, 2026 (January meeting postponed date), March 24, 2026, and August 25, 2026

DATE: FEBRUARY 3, 2026 (Originally scheduled for JANUARY 27, 2026)

a)	**ACKNOWLEGED:** **NOTES:** Sarah Knight-Underdue Board Member appointed by Brunswick County, has resigned from the Board and will no longer be reported as an absent member.
b)	**MOTION:** Upon recommendation from the Nominating Committee, the following resolution, carried unanimously. **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, Angela Hupp accepts the appointment of the Treasurer officer for FY26.
c)	**MOTION:** Upon motion made by D. Knox, duly seconded by T. Mull, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to authorize and approve the Executive Director to submit the application and allow for the expenditure regarding the purchase of DRPT vehicles in the amount of $52,800.
d)	**MOTION:** Upon motion made by J. Bowers, duly seconded by T. Mull, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, authorizes the Executive Director to implement the SESCO studies salary recommendations as presented to the Board as well as commit to included workforce funding amount presented by the Director of Human Resources.
e)	**MOTION:** Upon motion made by J. Bowers, duly seconded by M. Calhoun, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to authorize the Executive Director to approve and move forward with authorizing the Interim Executive Director (Paul Mandel) as a signatory for SBH finance department during his stent as, Interim Deputy Director and removed at the end of that term.

DATE: MARCH 24, 2026

a)	**ACKNOWLEGED:** **NOTES:** Mary J. Collie, Board Member appointed by Halifax County, has resigned from the Board and will no longer be reported as an absent member.
b)	**MOTION:** Upon motion made by Joan Bowers, duly seconded by C. Walker, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to authorize the Executive Director to implement the SBH SESCO study findings for staff increases as well as the needed financial amount requested.

EXHIBIT A: Actions/Decisions made in Virtual Meetings: February 3, 2026 (January meeting postponed date), March 24, 2026, and August 25, 2026

c)	**Item A. Appointment of Nominating Committee (IAW SBH Bylaws, Article 6, Section a.)** D. Knox, Board Chair appointed the following individuals, representative of the counties, to serve on the Nominating Committee for the Board of Officer Positions for FY 26-27: Joan Bowers, Halifax | Stuart Comer, Halifax | Carlton Walker, Brunswick
d)	**MOTION:** Upon motion made by Joan Bowers, duly seconded by Mandi Calhoun, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to authorize the Executive Director to adopt the SBH Employee Benefit Health Insurance plan for FY26-27 as presented.
e)	**MOTION:** Upon motion made by Jessica Lafoon, duly seconded by J. Bowers, the following resolution carried unanimously **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to authorize the Executive Director to remove the SBH proposed policy and apply it to the SBH SOP within the agency as presented.
f)	**MOTION:** Upon motion resulting from closed session made by Joan Bowers, duly seconded by Jessica Lafoon, the following resolution unanimously carried. **RESOLUTION:** *BE IT RESOLVED,* that the Board of Directors, Southside Behavioral Health, in regular meeting assembled, votes to approve the recommendation of the SBH Board Executive Committee regarding the personnel matter as presented and discussed during closed session.

DATE: AUGUST 25, 2026
STATEMENT OF ACTIONS TAKEN

a) Annual Reappointment and Election of Officers for FY27 **i. Board Officers/Executive Committee- Chair, Vice Chair, Secretary & Treasurer will remain the same** **ii. Standing Committee Leadership & Appointments-** **Finance Committee: Angela Hupp (chair), Debbi Knox, Carlton Walker** **Policies and Procedures Committee: Carlton Walker (chair), Stuart Comer, Joan Bowers**
b) Approval of the 2027 DBHDS Performance Contract
c) FY27 Cost of Living Adjustment (COLA)/State Budget
d) Updated 7/31 [3350.P1] Leave Policy
e) Janitorial Selection- Rawlings Cleaning
f) Revised FY27 Budget