

Alta California Regional Center
Finance Committee Meeting
Monday, June 14, 2021
Minutes

Present:

Yang Sun, Chair
Ron Mainini
Kelly Pennington
Steven Sanchez
Retha Seabron
Rita Walker

Absent: (* excused)
Johnny Deng*
Michelle Rewerts*

Board Members:

Carmen Aguilar
Jackie Armstrong
Michelle Ramirez
Anwar Safvi

Facilitators:

Amy Fulk

Visitors:

Maureen Fitzgerald
Marijn Peeters

Staff:

Phil Bonnet, Executive Director
Iqbal Ahmad, Chief Financial Officer
Lori Banales, Deputy Executive
Director
Lisa West, Executive Secretary

The Finance Committee met on Monday, June 14, 2021, at 4:57 p.m. by Webex/ teleconference to discuss: 1) Monthly Financial Report; 2) Contracts of \$250,000 and above; 3) Review Insurance Coverage; and 4) State Budget Update. All present provided self-introductions.

Without objection, Kelly Pennington made the motion to adopt the Finance Committee meeting minutes of May 10, 2021 as submitted.

1. ***Monthly Financial Report***

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: The April 30, 2021 financial report reflects ten months of expenditures for the current fiscal year (FY). With 83.3% of the year elapsed, ACRC has expended 77.5% of Purchase of Services (POS) and 79.7% of Operations (OPS) and expects the remaining portion to be exhausted with encumbered projects and late bills.

ACRC received the B-3 allocation from the Department of Developmental Services (DDS), which included \$17.8 million in POS funding. Mr. Ahmad believes ACRC will have sufficient POS funding to close out the current FY. Remaining OPS funding will be used to upgrade IT infrastructure, security protocols, planned projects, and services rendered but unbilled as of June 30th.

Without objection, Rita Walker made the motion to recommend to the full Board to accept the monthly financial statement as submitted.

2. **Contracts of \$250,000 and above**

- There are no contracts to approve at this time.

3. **Review Insurance Coverage**

Issue: The committee will review the agency's insurance coverage.

Discussion and Action: Mr. Ahmad displayed the agency's premium summary/ comparison insurance coverage for the expiring year versus the renewal year for review. These policies are aligned with our FY budget.

To optimize broker utilization, we selected new insurance brokers to negotiate our upcoming property and liability coverages. This past year has been a challenging year with remote work policy changes along with cyberattacks there was an expectation of an increase coming. In addition, our long-standing carrier for liability coverage, Philadelphia Indemnity, chose not to renew with us due to our loss ratio being too high. Thankfully, our new brokers, Marsh & McLennan, were able to market our coverage needs and were able to obtain similar coverages with an overall 2% increase in premiums from the previous year. The one requirement that the new carriers placed on ACRC was to improve our contract language with service providers that we historically vendorized with the minimum Title 17 requirements. The purpose was to mitigate our exposure and improve on risk management.

The new package includes the following coverages:

- Commercial Package (which includes General Liability & Umbrella Policy)
- Executive Package (which includes the Directors & Officers Liability)
- Cyber Liability/Data Privacy
- Workers Compensation

Mr. Bonnet noted that Mr. Ahmad works diligently to make sure the agency has sufficient insurance coverage.

- **Information only.**

4. **State Budget Update**

Issue: The committee needs to review the Governor's State Budget.

Discussion and Action: Mr. Bonnet shared that there is a lot of money coming into the State of California with the American Rescue Plan. The legislature is

putting forward a budget plan which includes funding to increase service coordination and also invokes the implementation of the Rate Study. The Governor has his own version of the 2021-22 FY's budget; it does not implement the rate study, but distributed funding into other areas of our statewide service system.

Currently, Governor Newsom and the legislature are working together to come up with a mutually agreed upon plan, which should have been completed by Saturday, but they requested an extension from the federal government.

Mr. Bonnet reminded everyone that under the State Constitution, the proposed budget needs to be on the Governor's desk by tomorrow, June 15th.

It's important to note that much of the federal funding is one-time monies, which will need to be prioritized.

- **Information only.**

The next Finance Committee meeting is scheduled for **Monday, July 12, 2021**. The meeting adjourned at 5:20 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet