

Alta California Regional Center
Finance Committee Meeting
Monday, July 13, 2020
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Ron Mainini
Michelle Rewerts
Retha Seabron
Rita Walker

Absent: (* excused)

Steven Sanchez

Facilitators:

Amy Fulk

Board Members:

Carmen Aguilar

Visitors:

Maureen Fitzgerald

Staff:

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

The Finance Committee met at 4:31 p.m. on Monday, July 13, 2020, by Webex/ teleconference to discuss: 1) Monthly Financial Report; 2) Contracts over \$250,000; 3) Review Insurance Coverage; and 4) State Budget Update. All present provided self-introductions.

Without objection, Johnny Deng made the motion to adopt the Finance Committee meeting minutes of June 8, 2020 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: Mr. Ahmad shared that the May 31, 2020 financial report reflects eleven months of expenditures for the 2019-20 fiscal year (FY). ACRC has expended 85% of Purchase of Services (POS) and 87.2% of Operations (OPS).

Earlier this month, we received the A-6 contract amendment from the Department of Developmental Services (DDS), which provided an additional \$13 million in POS funding. Our estimated shortfall is approximately \$10 million, which has been communicated to the department.

We are continuing to shift some resources around in our OPS budget, since most of our staff are working remotely. We are currently migrating staff to Windows 10, among other upgrades in technology.

Ms. Walker inquired if ACRC has seen any shift in POS expenditures due to the pandemic. As mentioned at the last meeting, we are seeing an increase in

expenditures in Supported Living Services (SLS), respite and residential services. ACRC made a decision at the beginning of the Shelter-in-Place to automatically increase POS authorization anticipating the increased need.

For the next meeting, Mr. Ahmad will break it down further to show the different patterns that staff are seeing due to the pandemic.

Mr. Bonnet shared that DDS will be releasing more guidance/directives soon.

Without objection, Johnny Deng made the motion to accept the monthly financial statement as submitted.

2. ***Contract over \$250,000***

- 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. He shared that every year there is an increase, but this year it is greater than what he anticipated – 19% increase.

This year's package includes the following coverages:

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

ACRC salaries and number of employees have increased over time; much of the increased cost is driven by that. Our agency's risk assessment has improved greatly, otherwise the insurance fees would be higher.

- **Information only.**

4. ***State Budget Update***

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

Discussion and Action: Governor Newsom decided to follow the legislature's suggestion and not to invoke the proposed cuts to our statewide service system that were part of his May Revise. Given that we are in the midst of a pandemic and

the State of California is facing overwhelming deficits, Mr. Bonnet considers this a blessing.

As part of the Department of Developmental Services' (DDS') Rate Study, most service providers received an 8.2% supplemental rate increase on January 1, 2020. While not included in the initial increase, effective January 1, 2021, Early Start Specialized Therapeutic Services, Independent Living Services (ILS) and Infant Development Programs will receive a rate increase.

The Governor "dimmed" the switch today – we are going back into more of a lockdown. This will almost certainly affect our economy, and will affect our clients, as well.

The Los Angeles Unified School District will not be opening their schools next month. Mr. Bonnet believes other school districts will follow suit.

We have been dealing with increased infection rates in ACRC's catchment area. Another client passed away over the weekend. We have not had any staff members test positive, but we have had family members of our clients and staff who have.

ACRC is requiring staff members to wear masks/face coverings while working in our offices.

We received another shipment of Personal Protective Equipment (PPE) this morning, which we will be sharing with our clients/families and service providers.

- **Information only.**

The next Finance Committee meeting is scheduled for **Monday, September 14, 2020**, at 5 p.m. The meeting adjourned at 5:10 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet