

Alta California Regional Center
Finance Committee Meeting
Monday, September 9, 2019
Minutes

Present:

Yang Sun, Chair
Dan Lake
Ron Mainini
Paul Platner
Michelle Rewerts
Steven Sanchez (via phone)
Retha Seabron
Rita Walker

Board Members:

Amy Lampe

Staff:

Phil Bonnet, Executive Director
Iqbal Ahmad, Chief Financial Officer
Lori Banales, Director of Client
Services
Lisa West, Executive Secretary

Facilitators:

Amy Fulk

The Finance Committee met at 5:00 p.m. on Monday, September 9, 2019, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Contracts over \$250,000; 3) Authorize Line of Credit; and 4) Review DDS vendor audit requirements for current FY. All present provided self-introductions.

Without objection, Yang Sun made the motion to adopt the Finance Committee meeting minutes of June 10, 2019 and July 8, 2019 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 distributed the June 30, 2019 financial report which reflects the expenditures for the 2018-19 fiscal year (FY). DDS currently has three FYs years open (2017-18, 2018-19 and 2019-20). We have spent nearly \$392 million in Purchase of Services (POS). We will probably receive another \$3 to \$4 million in bills, so he is currently projecting a shortfall of between \$9 and \$10 million; the 2.1% bridge funding accounts for a small portion of this. The Department of Developmental Services (DDS) and the Association of Regional Center Agencies (ARCA) are aware of this and Mr. Ahmad has been informed that ACRC will be made whole in future amendments. He shared that ACRC will fully expend the Operations (OPS) budget.

The July 31, 2019 financial report was also distributed which reflects the first month of the current FY. ACRC has expended 6.8% of POS and 12.1% of OPS.

ACRC received our first amendment (A1) from DDS on August 30th. Additional funding will be coming in October; the A2 amendment. DDS changed their allocation methodology this year. For cash flow purposes, Mr. Ahmad is not concerned. DDS will be including the Community Placement Plan (CPP) funding and the special funding tied to the new trailer bill language in the A2 amendment. He reminded everyone that OPS expenditures are higher at the beginning of each FY due to prepayments of insurance and retirement expenses.

Mr. Ahmad shared the projected client growth for this upcoming FY. ACRC continues to grow by approximately 100 new clients per month.

Without objection, Yang Sun made the motion to accept the monthly financial statements as submitted.

2. Contract over \$250,000

- There are no contracts to approve at this time.

3. Authorize Line of Credit

Issue: The committee needs to authorize the agency's line of credit with U.S. Bank.

Discussion and Action: Mr. Ahmad shared that U.S. Bank has provided ACRC with a line of credit over the last several years that runs from September to September of each year. The purpose of the line of credit is to provide cash to the regional center in the event of cash flow delays from DDS. The line of credit is for \$25 million and is up for renewal.

U.S. Bank does not charge any loan fees, but the line of credit does have an interest rate of 2% plus the one-month LIBOR rate.

Mr. Ahmad noted that it is critical that ACRC has a line of credit in place.

Without objection, Ron Mainini made the motion to approve the line of credit as presented.

4. Review DDS vendor audit requirement for current FY

Issue: The committee will review DDS' vendor audit requirement for the current FY.

Discussion and Action: Mr. Ahmad shared that DDS is requiring ACRC to conduct 18 vendor audits in the 2019-20 fiscal year (FY). These are required as part of our contract with the department and they are for providers that are paid under \$100,000 per year (e.g., billing audits, cost verification and/or staffing audits and Early Start audits).

ACRC staff must seek approval to audit providers that are paid more than \$100,000.

- **Information only.**

****A joint presentation by staff regarding the State Budget Update before the Finance Committee and the Executive Committee will commence immediately after this meeting.***

The next Finance Committee meeting is scheduled for **Monday, October 21, 2019**, at 5 p.m. The meeting adjourned at 5:25 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet