

Alta California Regional Center
Finance Committee Meeting
Monday, September 12, 2016
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson
Dan Lake
Brendan Peacock
Steven Sanchez (via phone)
Rita Walker

Absent: (* excused)

Walter Kaweski*
Austin Taylor

Facilitators:

Larry Prosser

Board Members:

Jacqueline Armstrong

Staff:

Phil Bonnet, Executive Director
Peter Tiedemann, Chief Operating
Officer
Lisa West, Executive Secretary

The Finance Committee met at 5:05 p.m. on Monday, September 12, 2016, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Authorize line of credit; 3) Review and approve proposed annual Board budget for 2016-17 FY; and 4) Review DDS vendor audit requirements for current FY. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of June 13, 2016 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. Tiedemann distributed the July 31, 2016 financial report which reflects one month of expenditures for the 2016-17 fiscal year (FY). ACRC has expended 6.4% of Purchase of Services (POS) and 9.6% of Operations (OPS).

Mr. Tiedemann shared that we received our preliminary allocation from the Department of Developmental Services (DDS) on May 19th and the first amendment on August 25th. The total includes \$44 million in OPS, \$335 million in POS and \$4.8 million in Community Placement Plan funding. The initial POS projections are not due to DDS until early December.

Mr. Tiedemann explained that OPS expenditures appear higher for the first month of the FY because of advance payments of some expenses such as insurance, rent and employee benefits.

ACRC is actively recruiting staff, while the client count continues to grow at a rapid pace.

Without objection, Anwar Safvi made the motion to accept the monthly financial statement as submitted.

2. *Authorize line of credit*

Issue: Committee needs to review ACRC's line of credit with U.S. Bank.

Discussion and Action: Mr. Tiedemann shared that ACRC historically has a \$23 million line of credit with U.S. Bank in case of cash flow issues. The line-of-credit will be for up to \$12 million without incurring any fees beyond interest. Interest will be a 2% fee plus the LIBOR rate (0.52% last week) if the line of credit is utilized. Mr. Bonnet stated that the Board's authorization of this line of credit is extremely important in case of any unforeseen delay in DDS funding.

There is a resolution that needs to be approved by the Board in order to have the line of credit in place. The other documents clarify the terms and conditions of the loan. These are standard documents; nothing different from past years.

Mr. Peacock would like to make sure all Board members completely understand these documents before action is taken on them. Concern was expressed about the process of approving contracts.

- **Information will be emailed out to committee members.**
- **This will be an action item at the September 22nd Board meeting.**

3. *Review and approve proposed annual Board budget for 2016-17 FY*

Issue: Committee needs to approve the Board's budget for the current FY.

Discussion and Action: Copies of the proposed 2016-17 FY were distributed for review.

M/S/C (Dan Lake) **To approve the 2016-17 FY Board budget as submitted.** (6 in favor)

4. *Review DDS vendor audit requirements for current FY*

Issue: Committee needs to review DDS vendor audit requirements for the current FY.

Discussion and Action: Mr. Tiedemann shared that ACRC will be required to conduct 18 vendor audits this FY as part of our contract with DDS; of those, six must be billing audits, four must be cost verification and/or staffing audits, and one must be a program that serves children under the age of 3.

Information about the vendor audits from the 2015-16 FY were shared, including the audit findings and recoveries.

- **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 **Tuesday, October 11, 2016**, at 5 p.m. The meeting adjourned at 5:48 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet