

Alta California Regional Center
Finance Committee Meeting
Monday, September 9, 2024
Minutes

Present:

Anwar Safvi, Chair
Johnny Deng
Dan Lake
Kelly Pennington

Visitors:

Steve Andrews
Maureen Fitzgerald
Peter Mendoza

Absent: (* excused)

Tom Hopkins*

Board Members:

Carmen Aguilar
Jackie Armstrong
EunMi Cho
Amy Lampe

Facilitators:

Amy Fulk

Staff:

Lori Banales, Executive Director
Iqbal Ahmad, Chief Operating Officer
Jennifer Bloom, Director of Client
Services
John Decker, Director of Community
Services
Camelia Houston, Director of Intake
& Clinical Services
Mechelle Johnson, Director of Client
Services
Lisa West, Executive Secretary

The Finance Committee met on Monday, September 9, 2024, at 4:04 p.m. to discuss: 1) Monthly Financial Report; 2) Authorize Line of Credit; 3) Review DDS Vendor Audit Requirements for Current FY; and 4) Review Annual Vendor Audit Report for 2023-24 FY.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of July 8, 2024, 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 July 31, 2024 financial report indicates that with one month or 8.3% of the fiscal year (FY) elapsed, ACRC has expended 6.6% of Purchase of Services (POS) and 7.8% of Operations (OPS).

We received our preliminary and A-1 allocation from the Department of Developmental Services (DDS), which represents 97 to 99% of the fiscal year funding. ACRC received a 7% increase from the prior year in both POS and OPS. The vast majority of this increase is related to the Burns & Associates Rate Study. Mr. Ahmad believes DDS will be implementing the last 25% increase to the rate model, inclusive of the 10% incentive, in phases beginning in January 2025.

ACRC is expected to spend our allocation in full.

During the September 2023 Board meeting, the Board approved consolidating efficiencies throughout the agency. ACRC also has costs related to this building and our upcoming move to the new Sacramento office site in March 2025.

ACRC currently has 740 employees, and our average staff tenure is six and a half years. We continually have individuals becoming eligible for services.

Without objection, Kelly Pennington made the motion to recommend to the full Board the acceptance of the monthly financial report as submitted.

2. *Authorize Line of Credit*

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

Discussion and Action: Each year, ACRC renews our \$25 million line of credit with U.S. Bank. It serves as a backup if the State's budget is delayed, and the regional center does not receive its first cash allocation.

U.S. Bank does not charge any loan fees, but the line of credit does have an interest rate of 2% plus the LIBOR (London Interbank Offered Rate) rate, which changes based on the market.

Mr. Ahmad noted that ACRC has not had to utilize this line of credit over the last few years.

Without objection, Dan Lake made the motion to recommend to the full Board the authorization of the \$25 million line of credit with U.S. Bank as presented.

3. *Review DDS Vendor Audit Report*

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

Discussion and Action: Under the DDS Directive, ACRC was notified that we are required to conduct 17 vendor audits in the 2024-25 FY. These audits consist of billing audits, cost verification and/or staffing audits and Early Start audits. Staff will conduct extra billing audits to complete the required 17.

- **Information only.**

4. *Review Annual Vendor Audit Report for 2023-24 FY*

Issue: The committee will review the DDS' annual vendor audit report from the previous FY.

Discussion and Action: Mr. Ahmad shared a summary of the ACRC audits that were completed in the 2023-24 FY. Of the 17 audits that were conducted, seven of them had findings, some of which were financial. He reviewed the details of the recoveries; two vendors are on a payment plan.

Mr. Ahmad is hopeful that we will collect the remaining funds this current FY.

- **Information only.**

The next Finance Committee meeting is scheduled for **Tuesday, October 15, 2024**. The meeting adjourned at 4:28 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Lori Banales