

Alta California Regional Center  
Finance Committee Meeting  
Monday, June 14, 2010  
Minutes

**Present:**

Nancy Lea, Chair  
Jon Nelson  
Allyson Plaza  
Robert Rogers  
Kenneth Vu

**Board Members:**

Regina Collins  
Tom Hopkins  
Kathy Lee  
Bonita Mallory

**Absent:** (\* excused)

Cindy Richards  
Rick Tomlinson

**Visitor:**

Crystal Lee

**Facilitator:**

Amy Fulk

**Staff:**

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

The Finance Committee met at 3:04 p.m. on Monday, June 14, 2010, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) State Budget; 3) Line of Credit; and 4) Other. All present provided self-introductions.

**M/S/C (Rogers/Plaza) To approve the Finance Committee meeting minutes of May 10, 2010.**

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 April 30, 2010 financial report which reflects ten months of expenditures for the current fiscal year (FY). The agency has spent 81.6% of the Purchase of Services (POS) budget, 81.1% of the Operations (OPS) budget and 70.6% of the Prevention dollars.

Mr. Tiedemann believes ACRC will need between \$1.2 and \$3.4 million in order to balance this FY. Mr. Tiedemann indicated it is possible that ACRC will need less additional funding due to the continued impact of the trailer bill language. It is possible that ACRC will spend less this FY than last FY in POS.

The agency will expend all Operations (OPS) dollars and will possibly expend all Prevention dollars.

**M/S/C (Rogers/Plaza) To accept the monthly financial statement.**

## 2. ***State Budget***

**Issue:** Committee needs to discuss the ongoing state budget challenges and how they impact ACRC.

**Discussion and Action:** Mr. Tiedemann shared that tomorrow is the constitutional deadline for passage of the state budget. Most items from the Governor's May Revise are currently in Conference Committee including the 1.25% rate reduction to provider rates and regional center OPS. Some providers are asking for their rates to be restored and the cuts to come completely out of regional center's OPS budgets.

Mr. Bonnet shared there is a lot of interest by the legislature in how regional centers capture Federal dollars through the Medicaid Waiver Program. Some service providers would like to directly bill for this.

- **Information only.**

## 3. ***Line of Credit***

**Issue:** Committee needs to discuss ACRC's line of credit.

**Discussion and Action:** Mr. Tiedemann shared ACRC has two lines of credit:

- Working capital/revolving line of credit - \$15 million
- "Bridge" line of credit - \$45 million

The agency currently has about \$10 million cash on hand with approximately \$6 to \$8 million in bills to be paid.

Mr. Tiedemann is still working on the "bridge" line of credit, which will give ACRC funding if the budget does not get passed on time. This is taking a little bit longer than normal because our main contact with U.S. Bank recently retired and they are working to completing the paperwork. Our interest rate is approximately 2.37% on both lines of credit with no fees. Mr. Tiedemann will continue to work with U.S. Bank and keep the Board informed on any issues that may come up.

ACRC received 60% from the Department of Development Services (DDS) for February bills and 40% for March. The department is not releasing any more funds at this point.

The agency should receive some funding after July 1<sup>st</sup> from the Medi-Cal Interim Payment Fund.

Mr. Tiedemann clarified that the agency has two lines of credit: one to cover a delay if the budget doesn't get passed on time and a second to cover any cash flow issues that may arise throughout the FY.

Mr. Bonnet shared ACRC's cash flow issues with the Providers Advisory Committee (PAC) last week. The providers were pleased that we have lines of credit in place in order to continue to pay for consumer services.

Mr. Bonnet clarified that the way the Lanterman Act is set up, regional centers have no priority in paying for specific services over others; we pay for services until the money runs out.

Ms. Plaza believes more consumers and families would voluntarily participate in more action at the State Capitol. Ms. Lea suggests discussing this topic at the September Retreat.

- **Information only.**

#### 4. ***Other – New Building Expenses***

**Issue:** Committee needs to approve new building expenses.

**Discussion and Action:** Mr. Tiedemann shared the lease has been signed for the Harvard site and a contractor has been selected.

Because the ACRC bylaws state that any item that exceeds the cost of \$100,000 needs Board approval, Mr. Tiedemann needs to bring forward two items for approval. They are as follows:

- \$400,000 for work stations and office furniture. ACRC has to pay for this upfront and then get reimbursed from the landlord from the tenant improvement funds allocated to ACRC through the lease.
- \$133,000 for computer & telephone cabling costs. This will also be paid upfront and then DDS-allocated move funds will cover this expense.

Ms. Lea reminded everyone that the Board was aware of costs that would be incurred with this move.

**M/S/C** (Rogers/Plaza) **To approve the work station and computer/telephone cabling costs.**

#### 5. ***Closed Session*** – at 3:44 p.m. the Finance Committee adjourned to closed session in order to discuss branch office leases.

6. ***Announcement of Closed Meeting Discussion*** – at 3:50 p.m. the Finance Committee reconvened in open session following a closed session in which branch office leases were discussed.

The next Finance Committee meeting is scheduled on **Monday, July 12, 2010**, from 3 to 4 p.m. The meeting adjourned at 3:50 p.m.

Lisa West  
Executive Secretary

cc: ACRC Board of Directors  
Phil Bonnet