

Alta California Regional Center
Finance Committee Meeting
Monday, May 8, 2017
Minutes

Present:

Dan Lake, Acting Chair
Tatiana Kuzminchuk
Brendan Peacock
Steven Sanchez (via phone)
Austin Taylor
Rita Walker

Board Members:

Romilda Jones
Retha Seabron

Absent: (* excused)

Anwar Safvi*, Chair
Cindy Benson*

Visitors:

Cheryl Worthley

Staff:

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

The Finance Committee met at 5:08 p.m. on Monday, May 8, 2017, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Contracts over \$250,000; 3) DDS Audit - Update; and 4) Use of Donation funds for Facility Start-up. All present provided self-introductions.

Without objection, Dan Lake made the motion to adopt the Finance Committee meeting minutes of March 13, 2017 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 March 31, 2017 financial report which reflects nine months of expenditures for the current fiscal year (FY). ACRC has expended 69.8% of Purchase of Services (POS) and 70.4% of Operations (OPS).

Mr. Tiedemann is projecting that ACRC will have a surplus of between \$4 and \$4.9 million for this FY. We received another contract amendment on April 10th, which included \$413,000 in OPS, of which \$155,000 was for activities related to cultural diversity. The amendment also included \$3.7 million in POS funding, of which \$1.7 million is for service provider minimum wage increases and \$2 million is for grants to twelve service providers to help them come into compliance with the Home & Community-Based Services (HCBS) waiver.

Most regional centers are projecting a surplus at this time. Mr. Tiedemann believes there is enough money in the statewide system this FY.

Although DDS has said that there may be a slowdown in cash flow, since the state's review from taxes are coming in a little slow, Mr. Tiedemann does not believe we will have any delays in getting our initial cash advance at the beginning of the next FY.

Without objection, Brendan Peacock 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. **DDS Audit - Update**

Issue: The committee will receive an update regarding the recent DDS audit.

Discussion and Action: Mr. Tiedemann shared that DDS recently finished the audit for the 2014-15 and 2015-16 FYs. It was a very positive audit, but he doesn't know when we will get the final report, which will be shared with the Board.

Mr. Tiedemann explained the differences between the CPA audit (financial statements) and DDS' audit (compliance/contract).

- **Information only.**

4. **Use of Donation funds for Facility Start-up**

Issue: The committee will receive information about a donation to the agency.

Discussion and Action: Mr. Tiedemann shared that ACRC received some funds that were bequeathed to the agency from a family after a client passed away. The family has requested that the \$161,000 be used to develop residential services for our clients in El Dorado County.

The funds were deposited into ACRC's contribution account, which now has a balance of \$398,000. Mr. Tiedemann explained that the contribution account is money that has been donated to the agency over the years; including a large donation from our real estate broker. The balance of the account is higher than it has ever been. These funds are used to assist clients, outside of POS funding.

In addition to the \$161,000 bequest, Mr. Bonnet and Mr. Tiedemann are seeking approval from the Board to expend up to another \$175,000 from the contribution account to develop possibly one or two residential facilities in El Dorado County. We would like to use the same model that is being used to develop homes for the clients coming out of Sonoma Developmental Center (CPP model). We would have a contract, where a third party owns the home and another provider operates the home. The home(s) would have a "restricted" deed, which would mean that the

homes could only be used for services for the developmentally disabled population. Mr. Tiedemann noted that our attorney would structure the contract to protect our agency.

If approved, there would still be a balance of \$60,000 in the contribution account.

- **Mr. Tiedemann will gather more information that will be shared at the next meeting.**

****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, June 12, 2017**, at 5 p.m. The meeting adjourned at 5:43 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet