

Alta California Regional Center
Finance Committee Meeting
Monday, June 11, 2018
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson
Dan Lake
Michelle Rewerts
Steven Sanchez (via phone)
Retha Seabron
Rita Walker

Facilitators:

Amy Lampe
Larry Prosser
Cheryl Worthley

Absent: (* excused)

Tatiana Kuzminchuk*

Board Members:

Eric Ciampa
Romilda Jones
Amy Lampe
Yang Sun (via phone)
Austin Taylor

Staff:

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

The Finance Committee met at 5:00 p.m. on Monday, June 11, 2018, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Contracts over \$250,000; 3) Select and engage Independent Audit Firm; 4) Telephone System; 5) Line of Credit; and 6) PERS Resolution. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of May 14, 2018 as submitted.

**change in agenda was noted*

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, 2018 financial report which reflects ten months of expenditures for the current fiscal year (FY). ACRC has expended 79.7% of Purchase of Services (POS) and 77.6% of Operations (OPS).

Mr. Tiedemann is projecting that ACRC will have between \$1.2 and \$1.4 million in surplus funding in the regular POS budget at the end of this FY. We will need approximately \$765,000 in additional funding for the Community Placement Plan (CPP). As he has mentioned in the past, the Department of Developmental Services (DDS) has assured ACRC that we will receive addition CPP funding for

moving individuals out of the developmental centers (DCs). The needed funding will be part of a future contract amendment.

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

2. *Contract over \$250,000*

Issue: The committee needs to approve a contract over \$250,000.

Discussion and Action: Mr. Tiedemann shared that this committee needs to approve a start-up funding contract for the service provider that will operate a 4-bed Community Crisis Home. The provider will use these funds for staff training, acquisition of equipment and facility furnishings, supplies and an appropriate vehicle to transport clients.

This is part of the "safety net" that is being developed across the state. This facility will be utilized by regional centers in Northern and Central California. Mr. Tiedemann clarified that the \$300,000 is already included in our CPP budget.

Mr. Bonnet shared that this is for an Institute for Mental Disease (IMD) Step-Down home. Brilliant Corners is the owner of the facility and is in the process of modifying the home. The Board previously approved the contract with Brilliant Corners to acquire and remodel the facility.

ACRC received five Request for Proposals (RFPs) and this vendor was chosen because they have the expertise in operating these types of homes.

At the earliest, this facility will be available to clients in September.

M/S/C (Anwar Safvi) **To approve the start-up contract for a 4-bed Community Crisis Home, as presented.** (7 in favor)

- **Mr. Tiedemann shared that the Board will need to approve an additional contract at the June 28th Board meeting.**

3. *Select and engage Independent Audit Firm*

Issue: The committee will select and engage an Independent Audit Firm.

Discussion and Action: Mr. Tiedemann shared that ACRC did not seek a quote from Stroub Thompson Noble LLC this year, but received quotes from two different auditors:

- Windes & McClaughry – \$56,200 plus travel expenses (based out of Long Beach)

- AGT – \$53,000 inclusive of travel (based in Redding)

Mr. Tiedemann shared that Windes & McClaughry have worked with ACRC in the past, while AGT has not worked directly with us, but have worked with other regional centers.

Mr. Tiedemann has been made aware that some audit firms believe that those centers that have the PERS Retirement System will need to have an actuarial firm perform an independent actuarial valuation of the PERS pension plan to comply with the FASB (Financial Accounting Standards Board) requirements. This would add on an additional cost of approximately \$20,000.

An independent actuarial valuation would utilize a much lower investment return rate than the one done by the PERS actuaries. As such, ACRC's unfunded liability (which is currently shown as a note to the financial statements) would increase, and would be disclosed in our agency's financial statements. Mr. Tiedemann does not feel that this is necessary. The DDS has not rendered an opinion on this matter.

M/S/C (Anwar Safvi) **To recommend that the Board engage AGT for the 2017-18 independent audit.** (7 in favor)

4. **Telephone System**

Issue: The committee will discuss ACRC's telephone system.

Discussion and Action: Mr. Tiedemann is gathering information about upgrading the agency's telephone system. He will have details to share with the full Board at the June 28th Board meeting, so that we can utilize Operations funds from the current fiscal.

- **Information only.**

5. **Line of Credit**

Issue: The committee will discuss the agency's line-of-credit with U.S. Bank.

Discussion and Action: Mr. Tiedemann shared at the last Board meeting that we may have to expand our line-of-credit with U.S. Bank. We have an approved line of credit for \$12 million, but we will need approximately \$25 million.

Mr. Tiedemann has been in contact with U.S. Bank and they have agreed to provide the increase to our line-of-credit with no loan origination fees, which will result in approximately \$25,000 savings.

- **Information only.**

6. **PERS Resolution**

Issue: The committee needs to review a PERS Resolution.

Discussion and Action: Mr. Tiedemann shared that PERS contacted ACRC because they discovered that when the agency went into PERS, certain elections regarding participation in Medicare for employees was not documented correctly. As such PERS is requiring a Board Resolution that will allow five employees hired prior to April 1, 1986 to elect to opt out of Medicare.

- **Mr. Tiedemann will be seeking full Board approval on this resolution at the June 28th Board 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, July 9, 2018**, at 5 p.m. The meeting adjourned at 5:43 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet