

Alta California Regional Center
Finance Committee Meeting
Monday, June 12, 2017
Minutes

Present:

Dan Lake, Acting Chair
Cindy Benson
Brendan Peacock
Steven Sanchez (via phone)
Austin Taylor

Board Members:

Romilda Jones
Retha Seabron

Facilitators:

Larry Prosser

Absent: (* excused)

Anwar Safvi*, Chair
Tatiana Kuzminchuk*
Rita Walker*

Visitors:

Cheryl Worthley

Staff:

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

The Finance Committee met at 4:56 p.m. on Monday, June 12, 2017, 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) Review CalPERS Audit; 5) Review HUD PRA 811 Housing MOUs; and 6) Update on 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 May 8, 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 April 30, 2017 financial report which reflects ten months of expenditures for the current fiscal year (FY). ACRC has expended 78.1% of Purchase of Services (POS) and 78.4% of Operations (OPS).

Mr. Tiedemann is projecting that ACRC will have between \$4.9 and \$5.4 million of POS funding at the end of this FY. The surplus is largely the result of service provider rate increases related to the ABX2-1 funding and the minimum wage being less than was allocated in ACRC's contract budget. Statewide, most of the centers are projecting surpluses, as well.

Without objection, Cindy Benson 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, although Mr. Bonnet and Mr. Tiedemann are seeking Board approval of an OPS expense which exceeds \$100,000.
 - ACRC needs to replace our servers in our computer system. Most servers are replaced every five years; ours are over six years old and the manufacturer will no longer offer a service plan on them.
 - The projected cost to replace the servers is \$236,000. Mr. Tiedemann shared that the servers are the backbone of our computer system. Everything that we do at the agency goes to our servers.
 - Our current system has 50 gigahertz (GHz), while the new system will have 166 GHz (over three times faster).
 - Currently, the agency backs-up nightly on tapes, which takes approximately 11 hours to process. The new system would reduce our expenses and allow us to have built-in backup at a third party site.
 - Mr. Tiedemann stressed that ACRC could face a situation where we have a failure and lose information.
 - There is sufficient funding to cover the cost this FY.

M/S/C (Brendan Peacock) **To approve ACRC's purchase of new servers for the total cost of \$236,000.** (5 in favor)

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 we are required to have an independent audit each year. The law states that no one firm can audit a regional center for more than five years out of a ten year period.

Mr. Tiedemann has received quotes from two different auditors:

- Stroub Thompson Noble - \$48,800 w/no travel expenses since they are a local firm
- Windes & McClaughry - \$54,000 plus travel expenses, because they are based out of Long Beach

Mr. Tiedemann noted that it is important that we choose an auditor who is familiar with the regional center system.

M/S/C (Brendan Peacock) **To recommend that the Board engage Stroub Thompson Noble LLC for the 2017-18 independent audit.** (5 in favor)

4. Review CalPERS Audit

Issue: The committee will review the CalPERS Audit.

Discussion and Action: CalPERS recently audited ACRC, as well as 66 other agencies.

Mr. Tiedemann shared that the auditor found that one of our employees, who left the agency, received their longevity leave at the time of the retirement. This money is not reportable income for PERS purposes, and the issue has yet to be resolved.

There were two other items that were noted in the audit. They suggest that ACRC's pay schedule and labor agreement are not approved by the Board of Directors. The pay schedule is posted on the agency's website and the Board approves the labor agreement in closed session.

- **Information only.**

5. Review HUD PRA 811 Housing MOUs

Issue: The committee will review the HUD PRA 811 Housing MOUs.

Discussion and Action: Mr. Tiedemann shared that ACRC works with several housing agencies. Currently, an affordable housing developer is developing a Housing & Urban Development (HUD) 811 project in Davis. There are 22 units available; the units are not guaranteed to our clients, but some may be available for ACRC clients. There is a structured referral process and we have a working relationship with the housing developer. The housing developer is required under HUD regulations to have Memorandums of Understanding (MOUs), which state that both parties will keep the other apprised of any information as it pertains to these units. The MOU requires the Board's approval.

Mr. Tiedemann noted that projects like these are great opportunities for our clients. They have the chance of securing a new apartment for a very low monthly rent.

- **We will be seeking Board approval at the June 22nd Board meeting.**

6. Update on use of Donation funds for Facility Start-up

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

Discussion and Action: As mentioned at last month meeting, ACRC is seeking approval to utilize up to \$175,000 from our contribution fund to assist with developing possibly one or two residential facilities in El Dorado County. Mr. Tiedemann spoke with our attorney that works with our Community Placement Plan (CPP). He has no concerns, but suggests some minor revisions to our current contracts in order to make this happen.

ACRC staff is still gathering data on possible locations in El Dorado County. Once we get more information on what the need is, we will be seeking Board approval.

- **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, July 10, 2017**, at 5 p.m. The meeting adjourned at 5:27 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet