

Alta California Regional Center
Finance Committee Meeting
Monday, June 13, 2016
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson (via phone)
Dan Lake
Brendan Peacock
Steven Sanchez (via phone)
Rita Walker

Absent: (* excused)

Walter Kaweski*
Austin Taylor

Board Members:

Jacqueline Armstrong
Janet Brandon
Romilda Jones

Visitors:

Cheryl Worthley

Staff:

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

The Finance Committee met at 5:02 p.m. on Monday, June 13, 2016, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Select and Engage Independent Audit Firm; 3) Authorize Line of Credit; and 4) Contracts of \$250,000 and above – discussion of approval process of contracts for start-up funding and other purposes. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of May 9, 2016 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, 2016 financial report which reflects ten months of expenditures for the current fiscal year (FY). ACRC has expended 76.2% of Purchase of Services (POS) and 81.1% of Operations (OPS).

Mr. Tiedemann is projecting that ACRC will have a surplus of between \$4.9 and \$6.3 million in POS funding this FY. This is largely due to the over-allocated funds for the minimum wage increase. He believes the surplus will slightly increase before the end of the FY.

Committee members questioned the projections on certain categories of the Operations section of the financial report. Mr. Tiedemann explained that the budgets are estimates by line item and that we are only held to the bottom line.

The important item is that total Operations expenditures do not exceed the total Operations allocation.

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

2. **Select and Engage Independent Audit Firm**

Issue: Committee needs to select and engage an independent auditor for next year's audit.

Discussion and Action: Mr. Tiedemann received a proposal from Stroub Thompson Noble. This is a new firm that merged with Thompson Noble who has conducted Alta's audit the past two fiscal year. The quote was for \$47,800, which is a slight increase from last year's \$45,000.

The law states that a regional center cannot use one entity for more than five years in a row. As this is a new entity with new partners, the Board can choose to utilize Stroub Thompson Noble for the next five years, if desired.

M/S/C (Brendan Peacock) **To recommend that the Board engage Stroub Thompson Noble LLC for the 2016-17 independent audit.** (6 in favor)

3. **Authorize Line of Credit**

Issue: Committee needs to authorize the agency's line of credit.

Discussion and Action: Mr. Tiedemann shared that he has not yet received the formal proposal from U.S. Bank.

- **Committee will discuss this item at the July meeting.**

4. **Contract of \$250,000 and above – discussion of approval process of contracts for start-up funding and other purposes**

Issue: Committee needs to discuss the approval process for contracts of \$250,000 and above.

Discussion and Action: Copies of ACRC's Board Policy entitled "Approval of Contracts in Excess of \$250,000" were distributed for review.

Mr. Safvi shared that Ms. Walker asked for clarification of the committee's process to approve contracts of \$250,000 and above. Mr. Tiedemann clarified that the five contracts that were approved at the May Board meeting came to him after the Finance Committee Meeting, but were time sensitive for the agency's Community Placement Plan (CPP); they needed to be approved prior to the end of the FY.

Mr. Tiedemann explained that typically the contracts that will meet this threshold would be the CPP contracts. The last time that a contract was brought to the Board for approval was in 2014. Normally, he shares the proposed vendor and a description of what services would be developed. Mr. Tiedemann shared that the contracts are lengthy and are written by our legal counsel.

A suggestion was made to have this as a topic of discussion at the upcoming September Retreat. The Board may want to know how many providers put in a bid for the posted Request for Proposal (RFP). Ms. Walker just wants to make sure the Board is doing due diligence and making sure they know what they are voting on.

- **Mr. Tiedemann will modify the information that is shared with the Board to provide additional data upon which the Board can make a more informed decision.**

****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 11, 2016**, at 4:30 p.m. The meeting adjourned at 5:34 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet