

FRANK D. LANTERMAN REGIONAL CENTER

Administrative Affairs Meeting

May 12, 2015

MINUTES

PRESENT

Ed Solis, Chair
Jack Gilbertson
Anila Guruji
Marjorie Heller
Al Marsella
Greg Schaffer
Anthony Stein

STAFF

Patrick Aulicino
Barry Londer
Melinda Sullivan

GUESTS

Susan Welch, City National Bank

NOT PRESENT

Jim Simonds
Dina Richman

CALL TO ORDER

Mr. Solis called the meeting to order at 12:10 P.M.

APPROVAL OF MINUTES

The minutes of April 14, 2015 were reviewed and approved by consensus.

CHAIRPERSONS REPORT

There was nothing to report.

REPORT FROM CITY NATIONAL BANK

Ms. Susan Welch, Senior Vice President at City National Bank, attended and reviewed the bank's annual report and ratings. She briefly explained what the ratings system and agreed to send the committee a more detailed explanation.

Regarding the merger with the Royal Bank of Canada, Ms. Welch stated that it is expected to be finalized by the end of the year. City National Bank's name will not change nor will the staff. Relationships are expected to be maintained as they have been.

We have asked for, and the Bank has approved, an increase in the revolving line of credit from \$16 million to \$19 million through June 30, 2016. The terms and conditions of the overall line remain as they have been; an interest rate of prime minus 1% with a floor of 2.25% and no fees.

Mr. Aulicino explained that we also have a bridge loan. This was put in place for the occasions when the State was delinquent on passing a budget and we had to wait months before receiving a reimbursement. The loan is for \$33 million for the period from July 1, 2015 to October 1, 2015 and there are no extra fees. The Bank is willing to continue this as before.

Mr. Solis made a motion to accept the increase of the line of credit subject to the same terms and conditions as last year. Mr. Schaffer seconded the motion and it was approved by consensus.

Ms. Anila Guruji requested a copy of the actual document and one will be sent to her.

BUDGET UPDATE

Mr. Aulicino reported that the May revision will be released tomorrow; we have no information as of yet. We have received the D-8 amendment for 12-13 which will cover our small deficit in POS and deallocate some unused CPP POS funds so that fiscal year can be closed out.

After discussion, the Committee agreed that they would like a presentation about CPP.

Mr. Solis made a motion that the Committee acknowledges that they are aware of the changes in CPP funds contained in the contract amendment. Ms. Heller seconded the motion and it was approved by consensus.

CALIFORNIA COMMUNITY FOUNDATION

Mr. Londer reviewed the quarterly report. Mr. Aulicino reported that Mr. Steve Cobb of the California Community Foundation will attend a future meeting for any questions that the Committee may have and discuss investment options. Also, the center is in the process of moving the relevant portion of the funds into the new account as was previously discussed.

REVIEW OF FINANCIAL STATEMENTS

Mr. Londer reviewed the financial activity through March 31, 2015.

Fiscal Year 2014-2015

In Operations (main contract) we have spent \$12,478,594. In Purchase of Services (main contract), we have spent \$89,915,173 before we add late bills. Including projected late bills, we will have spent \$91,753,501.

Fiscal Year 2013-2014

This month, we recorded \$44,492 in OPS and \$27,120 in POS. To date, we have spent 99.5% of our OPS and \$100.2% of our POS allocations. We are currently projecting a small surplus in OPS, and a deficit in POS, which we expect to be funded by DDS.

Fiscal Year 202-2013

This month we recorded \$3,570 in POS. To date, we have spent 98.3% of our OPS and 99.9% of our POS allocations. We are currently expecting a small surplus in OPS and a small deficit in POS, which we expect to be funded by DDS.

CASH FLOW

Mr. Londer reported that we are expecting a 30% reimbursement for our March claim during the week of May 10. We are estimating that we would need to receive about 50% of our April claim in June to avoid having to access our line of credit. It remains to be seen what the Department will be able to do in this regard.

POS RECAP

Mr. Aulicino reported that we are currently projecting a deficit of between \$6.2 and \$8.5 million. This is somewhat less than what was reported last month.

NEXT MEETING

The next meeting is scheduled for June 9, 2015.

ADJOURNMENT

The meeting was adjourned at 1:16 PM.

/gs