



CalMHSA Finance Committee

TELECONFERENCE MINUTES FROM MAY 12, 2014

Finance Committee Members

Present

- Maureen Bauman, CalMHSA President (Ex-Officio)
- Wayne Clark, Chair, Monterey County
- Dr. William Arroyo, Los Angeles County
- Tanya Bratton, San Bernardino County
- Scott Gruendl, Vice President, Glenn County

Absent

- Tom Sherry, Sutter/Yuba County

CalMHSA Staff

- John Chaquica, Executive Director
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Laura Li, JPA Administrative Manager
- Bianca Vidales, Administrative Assistant
- Armando Bastida, Administrative Assistant
- Doug Alliston, Legal Counsel

Consultants

- John T. Liddle, Morgan Stanley Smith Barney
- Allan Rawland, MSW, ACSW, Associate Administrator – Government Relations

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:06 p.m. on July 29, 2014 by Treasurer, Wayne Clark, Monterey County. All participants were asked to introduce themselves, followed by instructions for the teleconference process.

2. **Roll Call and Public Comment Instructions**

JPA Administrative Manager, Laura Li called roll and established a quorum, with one absentee member.

3. **Instructions for Public Comment and Stakeholder Input**

Committee Chair, Wayne Clark, reviewed the public comment instructions and noted items not on the agenda would be reserved for public comment at the end of the agenda.

4. **Consent Calendar**

Committee Chair Clark asked for any changes to the May 12, 2014 minutes, and Treasurer's Reports as of June 30, 2014. There were none.

Action: Approval of the consent calendar.

Motion: The action was passed unanimously.

Public comment was heard from the following individual(s):

None

5. **CalMHSA Finance Committee Overview**

Committee Chair requested staff to give an overview of the internal review for contract closeout and processing checks. Laura Li, JPA Administrative Manager, presented the Finance Committee with a detailed overview which included the following items:

- ✚ Tracking of contractor spending patterns – Ensures legitimacy of expenditures especially now that initial contracts are being closed out.
- ✚ Compliance of General Terms – Ensuring contractors are complying with the requirements under general terms and conditions, such as insurance certification, reporting and completion of deliverables.
- ✚ Approving Invoices - Once confirmed the above items are complied with, approval is given to proceed with processing payments.
- ✚ Tracking holdbacks – Holdbacks were applied for the last six months of the term of initial contracts to ensure compliance of contractor obligations. Holdbacks will be paid once all records are reconciled and requirements have been met.
- ✚ Tracking funding – Staff tracks all sources of funding, amount, terms of agreements and payments made on a monthly basis to ensure we do not exceed the total approved funding amounts for each contractor.

- ✚ Holding payments – Staff will withhold payments if contractor is not meeting its obligations under the contract, such as completion of deliverables, submittal of regular reports, invoices not prepared as required, cost are not justifiable.

Kim Santin, Finance Director presented the internal closeout process which highlighted the important steps in order to closeout contracts. The following steps are required to complete the closeout of a contract:

1. Program Manager must confirm deliverables were completed, Program Reports completed, and hardcopy of final deliverables and received an Assignment of Rights Letter
2. JPA Administrative Manager must confirm all CRM requirements are completed and General Terms and Conditions are completed including Certificates of Insurance and Invoices submitted.
3. Finance Director must review all Quarterly Cost Reports, Payments, hold backs, and contract including Amendment funding amounts.
4. Final approval from Executive Director and Program Director.

Action: None, Information only.

Public comment was heard from the following individual(s):

None

6. **CalMHSA Investment Update**

John Liddle, Morgan Stanley Smith Barney, presented an update on the CalMHSA investments, current market update and indicated interest rates were down. The yield on the 10 year Treasury note fell from 2.76% to 2.51% over the course of the quarter. LAIF is at 22% which outperformed the targeted percentage. The market value of the portfolio is in very good shape producing 3M.

Action: None, Information only.

Public comment was heard from the following individual(s):

None

7. **Update on Phase one and Board Action**

Ann Collentine, Program Director provided an update on Phase One and shared that county staff need clarification related to the Letter of Acknowledgement and process for issuing payment to CalMHSA. Therefore a draft memo to the Board Members was presented, which provides background information and explanation of purpose. The committee provided input for issuing the memo and recommended it be sent on behalf of the CalMHSA President.

Action: None, Information only.

Public comment was heard from the following individual(s):

None

8. **CalMHSA Financial Audit Engagement Letter**

Kim Santin, Finance Director, informed the Finance Committee that they were in their 3rd year contract with James Marta & Company for auditing services and will need to determine if they wanted to continue with James Marta & Company or issue an RFP (Request for Proposal) for audit services for the fiscal year ended June 30, 2015. To be addressed at a later meeting.

Action: None, Information only.

Public comment was heard from the following individual(s):

None

9. **Department of State Hospitals Update**

Executive Director gave a summary of items for discussion with the State Controller on July 30, 2014. The key points to be discussed include:

- Third party payments
- Zero Bed Commitments
- Rate Calculation
- WIC 17601

Action: Action: None, Information only.

Public comment was heard from the following individual(s):

None

10. **Public Comment**

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

Public comment was heard from the following individual(s):

None

11. Committee Chair Clark moved a motion to adjourn the meeting.

Action: Motion to approve adjournment.

Motion: The action was passed unanimously.