



Los Angeles Homeless Services Authority

a joint powers authority of the city & county of los angeles

MINUTES OF THE

LOS ANGELES HOMELESS SERVICES AUTHORITY FINANCE, CONTRACTS & GRANTS MANAGEMENT COMMITTEE MEETING

Held September 15, 2011

The Los Angeles Homeless Services Authority Finance, Contracts & Grants Management Committee Meeting, held in the LAHSA Administrative Office located at 811 Wilshire Boulevard, 6th Floor, Los Angeles, California, was called to order at 2:00 p.m. by Commissioner Larry Adamson, Chair.

Attendance

LAHSA Commissioners Present:

Larry Adamson, Chair
Mike Neely
Ramona Ripston

LAHSA Commissioners Absent:

None

LAHSA Staff:

Steve Andryszewski, Chief Financial Officer
Michael Arnold, Executive Director
Erin Hollander, Board Liaison
Stuart Jackson, Controller
Gina Mercer, Contracts Unit Manager

Call to Order/Roll Call/Establishment of Quorum

Roll was called and quorum was established at 2:00 p.m.

1.0 Review and approve minutes of meeting held on August 18, 2011.

Public Speaker(s): There were no public speakers.

Motion: Commissioner Neely moved and Commissioner Adamson seconded approval of the minutes.

Action: The motion passed unanimously.

2.0 Status report on cash balances, accounts receivable, accounts payable & programmatic and administrative YTD budget to actual and highest paid vendors.

Stuart Jackson, Controller, gave the report:

Substitute amended versions of the report were noted: pp. 7, 13 and 14.

- **Accounts Receivable:**

- Initial funding has been received from the City for the Consolidated Plan contracts starting April and General Fund contracts starting July.
- LAHSA is currently on schedule with receiving timely payments from funders.

- **Accounts Payable:**

- Payables in the 1-30 day past due column have been paid with the exception of amounts related to outstanding receivables.
- Payables in the 31-60 day past due column have been paid in full.

- **Administrative Budget vs. Actual:**

- There is overall minimal variance.

- **Programmatic Budget vs. Actual:**
 - **City Budget vs. Actual:** City CDBG and ESG providers have received initial funding on contracts that started in April. Agencies may be hesitant to allocate expenses to programs that have not received funding. Since the funding/payment schedule has resumed normally, LAHSA will be reviewing spending patterns to ensure that spending variances level out.
 - **County Budget vs. Actual:** The U.S. Veterans contract ended on June 30, 2011, and the variance will be returned to the Supervisor for allocation to other homeless programs.
 - **ERT Budget vs. Actual:** There is overall minimal variance.
- There was a report presented on LAHSA's highest paid vendors.
- There was a report presented on Final Budget vs. Actual for administration and grants ending on June 30, 2011.
 - **Administrative Budget vs. Actual:**
 - **Reflects full expenditure of administrative budget;**
 - **Programmatic Budget vs. Actual**
 - **City General Funds:** Reflected \$46K savings.
 - **County ESG:** Reflected \$1,587 savings.
 - **County DPSS:** Reflected \$128k savings.
- Michael Arnold, Executive Director and Steve Andryszewski, CFO met with the Assistant General Manager of LAHD to discuss the overall delay in receipt of funding, and to proposed to set up bridge funding for the Consolidated Plan. This would provide access to another cash source on April 1st so that funding would be available to agencies, and then LAHSA would repay the bridge loan.
- There was a discussion regarding the impact of fiscal variances and program performance/service levels.
- The Committee requested that staff report back on why DPSS programs are underspent.
- The Committee requested that Supervisorial Districts be added to the Subrecipient Budget vs. Actual reports going forward.

Public Speaker(s): There were no public speakers.

3.0 Review and approve LAHSA policy and procedure – Agency Probation Policy.

Steve Andryszewski, Chief Financial Officer, gave the report:

- LAHSA staff presented this policy to the FCGM Committee at the June 16th meeting; the Commissioners requested that the policy be distributed to LAHSA's current subcontractors for comment.
- On June 29, 2011, LAHSA staff circulated the Agency Probation Policy to all LAHSA funded service providers, and received two suggestions. On August 23, 2011, LAHSA held a community meeting to gather additional input on this proposed policy.
- There was a review of the seven areas of probation: reasons for probation, communication and role clarity, timeframe, conditions, further steps if necessary, release from probation and LAHSA reporting requirements.
- There was a discussion regarding the Commission's role in agencies placed on probation. It was clarified that the probation policy vests through LAHSA executive management.
- The Committee made the following amendments to the Agency Probation Policy:
 - **General:** In order to ensure compliance with federal, state *and local* regulations, contract requirements and program goals and objectives, LAHSA must demonstrate due diligence in the administration of funding to LAHSA subcontractors (hereinafter referred to as "agency").
 - **Procedures/ (1):** In situations where an agency puts a client(s) or LAHSA at a significant risk, probation ~~will be immediate~~ *may be imposed without the requirements set forth hereafter.*
 - **Probation Conditions/ (8):** During the period of probation, the executive management of an agency placed on probation ~~is required~~ *may be required* to attend the monthly Finance, Contracts & Grants Management and/or the Programs and Evaluation Committees' meetings of the LAHSA Board of Commissioners when Agency Remedial Action Status

Reports are given, to address any questions the Commissioners may have about the agency's programmatic and/or fiscal management of the LAHSA funded program.

Public Speaker(s): Christine Mirasy-Glasco, President/CEO, Beyond Shelter

Ms. Mirasy-Glasco noted that the policy point of mandating agency attendance when on probation is problematic due to time constraints. She also made suggestions with respect to LAHSA's communication with agencies regarding probation status.

Motion: It was moved by Commissioner Adamson and seconded by Commissioner Ripston to approve the Agency Probation Policy as amended.

Action: The motion passed unanimously.

There was a discussion regarding the potential need for a ratification process in order to ensure that the Commission is fully aware of the issues surrounding agency probation. It was clarified that the current Remedial Action Policy, as well as Section 13 of the proposed Agency Probation Policy sufficiently address this need.

The FCGM Committee mandated staff to report back in 90 days with a review of this policy, and a discussion on how it has been applied and the potential modification if needed.

4.0 Update on status of LAHSA line of credit usage.

Steve Andryszewski, Chief Financial Office, gave the report:

- Due to a delay in the receipt of administrative cash on approved funding sources, LAHSA drew down \$575,875 on its line of credit (LOC) to cover essential LAHSA operating costs.
- On September 8, 2011, LAHSA received the first payment of City General fund contract. On September 9, 2011, LAHSA repaid the entire LOC.

Public Speaker(s): There were no public speakers.

5.0 Report on status of LAHSA agencies placed on probation.

Steve Andryszewski, Chief Financial Officer, gave the report:

- As required by LAHSA's Remedial Action Policy, staff provided a status report to the Commissioners regarding remedial action sanctions that have been imposed on LAHSA contracted agencies.
- There was a review of agencies removed from probation.

MJB Recovery

- LAHSA monitoring staff performed a review of MJB Recovery's policies and procedures. It was noted that MJB Recovery has submitted a proposal to receive funding for new Winter Shelter Program (WSP) beds. Because probationary status may have impact on an agency's ability to receive funding, MJB Recovery was encouraged to finalize its policies and procedures prior to the end of September, 2011. LAHSA staff expects that MJB Recovery will be removed from probation following the completion of written accounting procedures.

The Committee asked the Executive Director of MJB if there was a reasonable amount of time to complete the policies and procedures before the September 30, 2011 deadline.

Public Speaker: Darrell Nelms, Executive Director, MJB Recovery

Mr. Nelms noted that the policies and procedures would be finalized by next week.

The Committee asked LAHSA staff if approval of these policies could be turned around prior to the September 30, 2011 deadline. LAHSA staff agreed that it would.

Beyond Shelter

- LAHSA would like to continue the probation while working with the agency to ensure changes in the proposed corrective action plan are implemented and adequately meet the needs of the program. Following a successful monitoring scheduled in October, Beyond Shelter will be removed from probation.

Public Speaker: Christine Mirasy-Glasco, Executive Director, Beyond Shelter

Ms. Mirasy-Glasco noted that being removed from probation is a condition of receiving funding from another funding source.

Steve Andryszewski, CFO, stated that he would speak with the other funding source to assure that the probationary status would not adversely affect funding.

6.0 Authorize the Executive Director to amend existing Independent Living Program (ILP) contracts as listed in attachment to extend the contract period from September 30, 2011 to June 30, 2012 to run concurrent with the DCFS funding.

Gina Mercer, Contracts Unit Manager:

- LAHSA's ILP program has historically been funded by the Community Development Commission of the County of Los Angeles (CDC) with funds originating from the Los Angeles County Department of Children and Family Services (DCFS). As of October 2, 2011, the CDC will step out of the funding process and DCFS will provide funding directly to LAHSA for ILP.
- There was a review of existing ILP contracts that expire on September 30, 2011 as funded by CDC with the needed amendments to extend the term through June 30, 2012 to run concurrent with the DCFS funder agreement.
- LAHSA staff noted that none of the agencies have significant programmatic or fiscal findings.

The Committee requested that LAHSA staff report any indication of low, moderate or high risk agencies prior to any contract extension or renewal.

Motion: It was moved by Commissioner Neely and seconded by Commissioner Ripston to Authorize the Executive Director to amend existing Independent Living Program (ILP) contracts as listed in attachment to extend the contract period from September 30, 2011 to June 30, 2012 to run concurrent with the DCFS funding.

Action: The motion passed unanimously.

Public Speaker(s): There were no public speakers.

7.0 Public Participation

There were no requests for public participation.

Adjournment

The meeting adjourned at 3:32 p.m.