



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 JULY 15, 2009

The Los Angeles Homeless Services Authority Finance, Contracts & Grants Management Committee meeting held in the LAHSA Administrative Office located at 453 S. Spring Street, 12th Floor, Los Angeles, California, was called to order at 2:07 p.m. by Howard Katz, Chair.

ATTENDANCE

LAHSA Commissioners Present:

Howard Katz
Larry Adamson

LAHSA Commissioners Absent

Antonio Manning

LAHSA Staff:

Michael Arnold, Executive Director
Steve Andryszewski, Chief Financial Officer
Victoria Saenz-Brown, Fiscal Monitoring and Compliance Officer
David Martel, Contracts Unit Manager
Geoff Emery, Interim Director of Programs
Erin Hollander, Board Liaison

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:08 p.m.

1.0 REVIEW MINUTES OF MEETING HELD JUNE 17, 2009

MOTION: Commissioner Adamson moved and Commissioner Katz 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

Steve Andryszewski, Chief Financial Officer reported: LAHSA continues to partner with its funders to ensure receivables are collected within an acceptable timeframe; aged payables are monitored to facilitate appropriate cash flow to service providers; and adequate cash balances are maintained to ensure LAHSA meets its administrative expenditure needs.

- LAHSA has closed out the end of the 2008-2009 fiscal year and is currently executing contracts for 2009-2010.

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

3.0 REPORT ON STATUS OF LAHSA OWNED PROPERTIES

Steve Andryszewski gave the report:

- LAHSA currently holds the title to a property located on 58th Street that was originally purchased with City CDBG funding to be utilized as a respite center. Since a service provider to rehabilitate the property and operate a program was never found, the City Council passed a motion in 2008 mandating LAHSA to sell the property and remit funds back to the City of Los Angeles. LAHSA has identified a buyer who is currently appraising the property. Upon completion of a sale at fair market value, the funds will be transferred back to the City of Los Angeles.
- Staff is currently looking into an opportunity proposed by the Community Redevelopment Agency (CRA) to transfer title of a property located at 82nd and Broadway to LAHSA to be used as a shelter for families. LAHSA is currently performing due diligence. Should the property be a good match, LAHSA will request approval from the Commission to acquire the property at no cost to LAHSA. Funding for the rehabilitation and operation of a program is available through the County of Los Angeles General Fund.

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

4.0 REPORT REGARDING UPDATE ON LINE OF CREDIT USAGE

Steve Andryszewski reported on the usage of the line of credit through end of fiscal year, June 30, 2009.

- Due to a delay in the receipt of administrative grant funding, LAHSA drew down \$175,000 on its line of credit (LOC) to cover essential LAHSA operating costs. To the extent that adequate grant funding has been received, LAHSA has been able to pay down this balance. As of June 30, 2009, the remaining balance on the LOC was \$20,000. LAHSA will continue to report back to the Commission on any balances outstanding over 30 days.

5.0 REPORT ON STATUS OF 2008-2009 FISCAL AND PROGRAMMATIC MONITORING

Victoria Saenz-Brown, Fiscal Monitoring and Compliance Officer gave the report on Fiscal Monitoring for the FY 2008-2009:

- LAHSA's goals were to perform onsite monitoring of all 100% of agencies at least bi-annually, and to develop and implement technical assistance to support programs.
- LAHSA staff performed fiscal monitoring of 75 agencies. 50 agencies were site monitored and 25 agencies had desk monitorings.
- Of the 50 agencies that were site monitored, priority was assessed based upon those receiving federal funding and agency prior performance.
- LAHSA's monitoring focused on internal controls, actual costs and financial management of the agency. There was an 80% increase in agencies with no finding, and overall we noted agencies were more compliant in the area of internal control.

David Martel, Contracts Unit Manager gave the report on Programmatic Monitoring:

- LAHSA performed risk analysis at the beginning of the year based upon the following criteria:
 - Specific requirements identified by the funding source
 - Agency prior performance .
- Out of the assessment, 92 agencies were identified as requiring monitoring.
- Out of 92 agencies, 70 agencies showed zero deficiencies which is a substantial decrease.
- LAHSA has implemented a training program to support agencies in becoming fully compliant.

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

6.0 PRESENTATION OF MONITORING PLAN FOR 2009-2010 FISCAL YEAR

Victoria Saenz-Brown gave the report on the Fiscal Monitoring Plan:

- LAHSA's monitoring review is performed to determine whether an agency has met the terms of applicable federal and state regulations, adhered to contract requirements, conformed to Generally Accepted Accounting Principles (GAAP), and appropriately accounted for and spent LAHSA funds in providing program services as outlined in the contract. During the 2009-10 fiscal year, the Fiscal Monitoring and Compliance Office will report on the fiscal monitoring of subrecipients of LAHSA program year 2008-2009 funded contracts. LAHSA anticipates there will be 99 agencies that will be subject to monitoring activities during the FY 2009-2010.
- LAHSA will monitor the agencies based on the following objectives: internal controls, personnel costs, non-personnel costs, cost allocation plan, cash match (if applicable) and financial management.
- Status reports will be issued monthly to update the progress for both fiscal years.

David Martel gave the report on the Programmatic Monitoring Plan:

- The three primary objectives to the plan include: ensuring subrecipients are only serving eligible participants and are sufficiently documenting client eligibility, thereby reducing LAHSA's risk of questioned costs by HUD and the County and City of Los Angeles; to ensure the accuracy of client reports provided by LAHSA sub-contractors either through the Homeless Management Information System (HMIS) or through manual data collection; to ensure LAHSA's compliance with the terms of our agreements with HUD, the City and the County.
- It is anticipated that a minimum of 244 programs will be subject to monitoring activities during the FY 2009-2010. LAHSA will perform additional monitoring visits as needed for any agency that has been placed on probation or suspension.
- Agencies will be monitored based on the following objectives: participant eligibility, outcomes verification, performance assessment, facility review, ILP service assessment, and HMIS compliance.
- Status reports will be issued monthly to update the progress for both fiscal years.

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

7.0 PUBLIC PARTICIPATION

There were no requests for public participation.

ADJOURNMENT

The meeting adjourned at 2:47 pm.