



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, 2010

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 2:03 p.m. by Douglas Mirell, Chair.

Attendance

LAHSA Commissioners Present:

Larry Adamson
Douglas Mirell
Ramona Ripston

LAHSA Commissioners Absent:

Moctesuma Esparza

LAHSA Staff:

Steve Andryszewski, Chief Financial Officer
Michael Arnold, Executive Director
Victoria Saenz-Brown, Monitoring & Compliance Officer
Erin Hollander, Board Liaison

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:03 p.m.

1.0 Review of Minutes held June 17, 2010.

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

Motion: Commissioner Ripston 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.

Steve Andryszewski, Chief Financial Officer (CFO), 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.

- Accounts Receivable 1-30 days past due: this amount is due to a delay in administrative funding of 2010 City of Los Angeles contracts that began on April 1st. LAHSA is waiting to receive this funding and staff has been in daily contact with the City of Los Angeles.
- Accounts Receivable 31-60 days past due: this amount is related to the Winter Shelter Program contracts which ended on March 31st. LAHSA has not yet received the funds and is in daily contact with the City of Los Angeles.
- Aged Payables 90 days past due: this amount relates to the U.S. Veterans' Initiative outstanding balance of \$129K. Staff noted that HUD disallowed \$7K from the overall balance. LAHSA staff continues to monitor and work to resolve the issue.

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

3.0 Update on status of line of credit usage.

Steve Andryszewski, CFO, gave the report:

- Due to a delay in the receipt of administrative funding authorized by the City of Los Angeles for grants with effective start dates of April 1, 2010, LAHSA has drawn down \$594,700 on its line of credit (LOC) to cover essential LAHSA operating costs. LAHSA will pay the outstanding balance on the line of credit in total within 24 hours of when adequate funding has been received.

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

4.0 Report on status of real property transaction – 8224 S. Broadway.

Steve Andryszewski, CFO, gave the report:

- The LAHSA Commission approved the transfer of title from the CRA to LAHSA for the property located at 8224 S. Broadway for use as emergency housing for families on February 26, 2010.
- LAHSA is in final negotiations to finalize the service provider contract with EIMAGO and staff expects the rehabilitation to begin in August.

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

5.0 Authorize the Executive Director to enter into a contract with a qualified contractor subject to funding being appropriated by the Fifth Supervisorial District of the County of Los Angeles to relocate the Santa Clarita Winter Shelter Program.

Steve Andryszewski, CFO, gave the report:

- The Santa Clarita Winter Shelter Program (WSP), which operates from December 1st through March 15th each season, provides 40 shelter beds and supportive services to homeless individuals and families in need of assistance in this area during the coldest and wettest months of the year.
- Through a collaborative effort between LAHSA, the County of Los Angeles, and the City of Santa Clarita, the program has been designed to operate within three mobile units owned by the County of Los Angeles. A nine year plan has been developed and approved whereby the program operates in three predetermined sites for a period of three years at each site.
- This year the site is scheduled to move from the original site on Golden Valley Road to the second predetermined site on Drayton Street.
- Through a competitive RFP process LAHSA received bids from two (2) eligible proposers to provide the relocation services. Staff believes that both proposers have the capacity and an understanding of the project specifications, therefore staff recommends the approval of this one-time funding provided through the Fifth Supervisorial District be awarded to the lowest eligible bidder, *Meier Brothers Construction*.
- Staff has determined that the administrative dollars associated with this funding are adequate to cover the administrative cost.

Motion: Commissioner Adamson moved and Commissioner Ripston seconded approval to authorize the Executive Director to enter into a contract with a qualified contractor subject to funding being appropriated by the Fifth Supervisorial District of the County of Los Angeles to relocate the Santa Clarita Winter Shelter Program.

Action: The motion passed unanimously.

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

6.0 Authorize the Executive Director to enter into contracts with agencies as listed in Attachment 6.0, subject to funding to be allocated by HUD and the First Supervisorial District of the County of Los

Angeles to LAHSA for fiscal year 2010-11 starting July 1, 2010 and ending June 30, 2011. In the event that funding to LAHSA for this period is reduced or not forthcoming, authorize the Executive Director to reduce the amount of compensation or reduce the number of contracts.

Steve Andryszewski, CFO, gave the report:

- LAHSA receives funding from HUD and the County of Los Angeles to fund the operation of a variety of homeless programs as well as fund the Los Angeles Continuum Homeless Management Information System (HMIS).
- LAHSA recommends contracting for the programs for which funding was allocated by HUD and the County of Los Angeles starting July 1, 2010 and ending June 30, 2011. These programs assist homeless individuals and families and will enable LAHSA to continue providing vital demographic information for this population through the use of HMIS.
- Staff noted that administrative dollars associated with this funding are adequate to cover the administrative cost.

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

Motion: Commissioner Adamson moved and Commissioner Mirell seconded authorizing the Executive Director to enter into contracts with the agencies as presented.

Action: The motion passed unanimously.

7.0 Review and approve LAHSA policies and procedures.

Victoria Saenz-Brown, Monitoring & Compliance Officer, presented the policies and procedures:

- **Security of Accounting Data and Records (NEW)**

It is LAHSA's policy to ensure that all accounting records are safeguarded to protect from theft, misappropriation, fraud, misuse or unapproved destruction. Only duly authorized personnel are allowed access to original and electronically stored accounting data. Additionally, it is LAHSA's policy to utilize passwords to restrict access to accounting software and data.

There was a request from Commissioner Mirell to make the following amendments:

Electronic accounting data:

3. Fiscal personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than **quarterly**.

Electronic Timekeeping data:

3. All personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than **quarterly**.

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

Motion: Commissioner Adamson moved and Commissioner Ripston seconded approval of the Security of Accounting Data and Records policy with the stated amendments.

Action: The motion passed unanimously.

- **Financial Statements (NEW)**

It is LAHSA's policy to prepare financial reports annually to communicate key financial information necessary to make decisions in the management of LAHSA, and as a standard method for providing information to LAHSA investors and other interested parties. The Chief Financial Officer is responsible for the completion of LAHSA's financial statements.

There was a request from Commissioner Mirell to make the following amendment:

4.1.1 – It is further the policy of LAHSA to submit monthly, or more frequently upon request, various general accounting reports to the LAHSA Board of Commissioners to provide information about LAHSA operations.

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

Motion: Commissioner Adamson moved and Commissioner Ripston seconded approval of the Financial Statements Policy with the stated amendment.

Action: The motion passed unanimously.

- **Annual Audit (NEW)**

It is LAHSA's policy to arrange for an annual audit of the agency financial statements to be conducted by an independent accounting firm as required by OMB Circular A-133 and LAHSA funding agencies.

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

Motion: Commissioner Adamson moved and Commissioner Ripston seconded approval of the Annual Audit Policy and Procedure.

Action: The motion passed unanimously.

- **Government Returns and Other Reporting (NEW)**

It is LAHSA's policy to comply with federal, state and local reporting requirements. Further, it is the policy to file complete and accurate returns and reports with all authorities.

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

Motion: Commissioner Ripston moved and Commissioner Adamson seconded approval of the Government Returns and Other Reporting Policy.

Action: The motion passed unanimously.

- **General Cash Management (REVISED)**

It is LAHSA's policy to establish adequate control procedures over LAHSA assets and minimize LAHSA's risk of financial loss. There was a brief discussion regarding check signature authority and the accounting process.

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

Motion: Commissioner Ripston moved and Commissioner Adamson seconded approval of the General Cash Management Policy.

Action: The motion passed unanimously.

- **Cash Receipts (REVISED)**

It is LAHSA's policy that all funds received be deposited in an approved LAHSA bank account in a timely manner, and that all cash receipts will be entered into the general ledger with sufficient detail to ensure that funds received are only used for their intended purpose.

There was a request from Commissioner Mirell to make the following amendment:

1 (c). Checks are not restrictively endorsed as this ~~is~~ occurs automatically during the bank scanning

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

Motion: Commissioner Ripston moved and Commissioner Adamson seconded approval of the Cash Receipts Policy with the stated amendment.

Action: The motion passed unanimously.

8.0 Report on status of 2009-2010 Fiscal and Programmatic Monitoring.

Victoria Saenz-Brown, Monitoring & Compliance Officer, gave the report:

- There was a status update of 2009-2010 fiscal and programmatic monitoring as of June 30, 2010. All fiscal and programmatic monitoring visits were completed as of June 30, 2010.
- The Fiscal Department conducted 92 monitoring reviews and the Programs Department monitored 308 program contracts. The fiscal monitoring analysis showed that there has been a 181% increase in agencies with no findings and overall findings have decreased by 25% per monitoring review.
- There was a brief discussion regarding the success of LAHSA's technical assistance and support of agency compliance.
- Michael Arnold, Executive Director, acknowledged LAHSA staff for their outstanding performance with the monitoring and technical assistance program.

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

9.0 Presentation of LAHSA Monitoring Plan for the 2010-2011 fiscal year.

Victoria Saenz-Brown, Monitoring & Compliance Officer, presented the plan:

- There was a presentation of the scope and objectives of the 2010-11 Monitoring Plan.

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

10.0 Public Participation

There were no requests for public participation.

Adjournment

The meeting adjourned at 3:19 p.m.