

Area Agency on Aging Serving Napa and Solano

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Minutes of Special Board Meeting: Tuesday, August 22, 2017, 3:00 PM **Area Agency on Aging Serving Napa and Solano, Training/Conference Room** **400 Contra Costa Street, Vallejo, CA 94590**

Carolyn Wrage, Presiding

Solano County

Dist.1	Marty Kuehneman, Treasurer	Present
2	Marilyn Manfredi	Excused
3	Vacant	
4	Richard Lundin	Present
5	Michael Donnellan	Present
At-Large	James McCully	Present
At-Large	Rev. Dr. Tony Ubalde, Secretary	Present
At-Large	Stephen Murphy, Vice Chair	Present

Napa County

Dist. 1	Heather Stanton	Present
2	Betty Rhodes	Present
3	Charles Morse	Excused
4	Beverly Saxon-Leonard	Present
5	Vacant	
At-Large	Jo Ann Busenbark	Excused
At-Large	Carolyn Wrage, Chair	Present
At-Large	Kelly Abernathy	Excused

The meeting was called to order at 3:00 PM by Chair Carolyn Wrage. A quorum was present.

Present: Leanne Martinsen – Executive Director, Jacquelin Bell, CFO.

Regular Business

- 1. Motion by Beverly Saxon-Leonard to approve the agenda for the August 15, 2017 Special Board meeting as presented, seconded by Betty Rhodes, motion carried.**
- Minutes for the August 15 regular meeting of the Board of Directors were provided, and will be presented for approval at the next regular meeting.

New Business: Information and possible action item: Following the August 15, 2017 regular meeting of the Board of Directors, some members expressed concerns related to the lack of clarity in reporting about the financial position of the Agency. This meeting was called to provide an opportunity to provide updated information.

Leanne Martinsen noted that she had sent a memo to Board members on August 18 to provide information that had come to light following the regular Board meeting, and distributed a copy of responses to questions posed by the Oversight committee. In response, as requested, a digital copy of the Directors and Officers Insurance policy had been sent to Board members prior to the meeting.

There was a spirited discussion, focused on the fiduciary duty of the Board, including the following:

Beverly Saxon-Leonard commented that she had reviewed the insurance policy, and felt it was clear that the insurance should be sufficient. It was stated that by holding this meeting, and participating in the financial training that is scheduled tomorrow, the Board is taking appropriate actions and being responsible. There was also concern expressed about the necessity for training and professional assistance for staff. It was acknowledged that when the CFO had made recommendations at previous meetings,

the Board had taken action to provide additional resources, to increase staffing and to acquire additional modules for the financial accounting system, and more recently authority to increase the bank line of credit from \$50,000 to \$150,000. Jacquelin Bell indicated that an application to increase the line of credit with the current bank had been made, and the branch manager indicated that the approval would not be made locally, but by a loan department. She also confirmed that due to the current cash flow situation, there are providers that have been waiting for reimbursement, now approaching 90 days. In response to a question about communications with the providers, Leanne Martinsen indicated that we had not notified them of the delays earlier, because we thought that the requested reimbursement from CDA was in process. When it became apparent that the payment would not be released until the year-end closeout report was approved, she did send an e-mail to the providers to let them know. In response to a question, she indicated that this is an unusual situation, and the last time we experienced something similar was in 2008. That year the State Budget was not signed until late September, and, as a result, CDA was not able to reimburse AAA's until October, and we were unable to reimburse our providers. As of last Thursday, we understood that the closeout report for FY 2016-17 had been accepted, and CDA has indicated that they can expedite the payment, so funds should be released on or about September 6. The budget for the current year has been loaded, so we have also requested funds for the first three months of the current fiscal year. Jo Ann Busenbark and other Board members stated that the AAOA is in the business of providing services, and it is a priority to get our contract providers paid. James McCully noted that at a prior meeting, the Board authorized staff to go to another bank, if the our current bank was not going to approve an increased line of credit, and Jacquelin responded that she had contacted another bank to initiate an application, and although there would be logistical issues to change banks now, it would be possible to do so within a week.

Staff answered questions from Board members about the process of requesting funds from CDA and the consensus was to take the following actions:

1. CFO and ED will follow up with Bank of the West to determine if Line of Credit increase to \$150,000 will be approved/available this week. If Bank of the West has not approved the increased line of credit, the CFO is authorized to execute agreements and open an operating account with the new bank that has agreed to provide the line of credit as soon as possible (within one week).
2. The additional line of credit will be used to make some payments to contract providers as soon as possible, paying one month, reducing from 90 to 60 days in most cases.
3. Payment based on the CDA Financial Closeout Report for RY 2016-17 is anticipated to be received by September 7. This should allow provider and vendor claims to be paid by September 15, and the line of credit paid back.
4. The ED will provide a status report via e-mail to Board members on August 29.

Carolyn Wrage thanked everyone for contributing, and asked them for feedback.

Roundtable Announcements:

- Heather Stanton encouraged members to come to the Napa County Commission on Aging meeting on Monday, August 28 in Yountville, when the AAoA and Commission will be honoring Elizabeth Mautner on her retirement after 20 years as a Long Term Care Ombudsman in Napa County.

The meeting was adjourned at 4:37 PM.

The next regular meeting will be on at 2:30 on September 19, 2017 in Napa.

Submitted by: Leanne Martinsen, Executive Director

Approved by _____, Secretary to the Board

Date: _____