

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
November 28, 2012

Present: Yolanda Bosch, Craig Girard, Jenean Glover, and Katie Mead – Committee Members
Ken Lane - Vendor Advisory Committee Representative
Richard Dier – Board Member
Linda Dier and Jorge Flores - Guests
Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Sharoll Jackson and Eric Leh

I. Call to Order & Introductions

The meeting was called to order by Craig Girard, treasurer, at 6:01 p.m.

II. Public Input

George announced that he recently participated in The Adult Skills Center's 25th anniversary party at the Sportsmen's Lodge. It was a beautiful event which included the celebration of staff anniversary milestones and honored Assembly Member Bob Blumenfield, who was present to talk about TASC and the important work they have done. Assembly Member Blumenfield used to work for Congressman Howard Berman, who was also present at the event! Congratulations Ken on a wonderful event!

III. Consent Items

A. Approval of Revised Agenda

Craig noted the revisions that were made to the original agenda. The revised agenda was approved as presented.

B. Approval of Minutes from October 24th Meeting

The amount shown in section IV.C.1. was corrected to read "\$156,898.34." The minutes were approved as modified.

IV. Committee Business

A. Rent Allocation Issue

The Department of Developmental Services (DDS) is standing by their report that they are not going to fully fund regional center rent costs. The Association of Regional Center Agencies' (ARCA's) Finance Committee is collecting information from the regional centers to project what the rents will be over the next 5 years and will share that information with DDS. George will find out more about this at the ARCA Executive Committee meeting next week. We want to work cooperatively with DDS to come to a reasonable resolution to DDS's rent formula.

B. Financial Report for October 2012

The financial report showed that the operations budget is \$34,425,481 with projected expenses in the same amount, leaving no surplus or deficit. The POS budget is \$238,140,737 with projected expenses of \$262,733,195, leaving a deficit of \$24,592,458 in the worst case (\$18,799,139 deficit in the best case). The family resource center budget is \$122,721 for a total budget of \$272,688,939.

Per trailer bill language, regional centers must spend no more than 15% of their budget on administrative costs. Year to date, the center's current administration operating expenses are at 12.8%, with direct care expenses at 87.2%, so we are in compliance with the trailer bill language.

C. Late Bill Report for October 2012

There is nothing unusual to report in this month's late bill report. The late bills are at 20.10% which is in the typical range.

D. Intermediate Care Facility/State Plan Amendment (ICF/SPA) Collections Report

The new monthly collections report was provided to the committee and Vini reviewed it with them. ICF providers have been warned that if they do not reimburse NLACRC within the 30 day timeline, that the center will contact DDS and request that the Medi-Cal payments be offset by the amount they owe us.

E. Contracts for Approval: Diversified Transportation and Easter Seals

1. Diversified Transportation: This contract will expire at the end of February and we want to renew it for another 5 years. Diversified currently provides transportation service to 1,368 consumers in the Santa Clarita and San Fernando Valleys. The contract also covers transportation assistant services for specific routes or consumers. Kathy Sturkey,

executive director of LARC Ranch, has offered them free parking space at the ranch.

Action: Kim will update the summary sheet for the contract with Diversified Transportation to include the rate for the Santa Clarita Valley transportation routes.

M/S/C (Y. Bosch/J. Glover) To recommend to the Board of Trustees to approve the 5-year contract with Diversified Transportation in the range of about \$10,000,000 annually or \$50,000,000 for the contract term.

2. Easter Seals: This is a new contract that will fund families' non-covered insurance co-payments for autism-related services that are being covered by their insurance companies. We would like to ask the Executive Committee to approve this contract on behalf of the Board of Trustees so we can begin reimbursing families for their co-payments rather than waiting until after the January 13th board meeting. The total projected value of the contract over a 5-year term is \$1,625,000.

M/S/C (Y. Bosch/K. Mead) To recommend to the Executive Committee to approve the contract with Easter Seals on behalf of the Board of Trustees, in the projected range of \$1,625,000 over the 5-year contract term.

Action: George will give the committee an update on the reimbursement of families' co-payments at the next Administrative Affairs Committee meeting.

3. CPES Contract: Kim reported that they will be operating 4 of our residential facilities by providing ongoing residential services. She just received their contract today, so it is not ready to present to this committee tonight. However, she would like to bring the contract to the Board of Trustees in January for their approval so these services are not delayed.

Action: The committee agreed to recommend approval of the CPES contract to the Board of Trustees at the January 9th board meeting.

F. 1st Quarter Financial Graphs

Copies of the graphs were provided and reviewed. The graph showed no surplus or deficit in July or August 2012 because DDS had not provided centers with

their POS allocations yet. Starting in September, the graph reflected a POS deficit between \$18,799,139 and \$24,592,458.

G. Review 1st Quarter Report on PRMT Transactions

Copies of the report were provided to everyone present and Kim reviewed it with them. The total fees paid during the first quarter of FY 2012-13 were \$13,799.22. The fees will increase as the value of the trust increases. The trust's current value is \$10,990,923.

H. Human Resources Activity Summary for October 2012

Copies of the summary were distributed and reviewed. The summary included the following current information:

1.	FY 2012-13 authorized positions	412
2.	Authorized positions on hold (not to be filled)	-37
3.	Active authorized positions	375
4.	Active positions filled	-342
5.	Open positions vacant	32
6.	Monthly hiring activity:	
	▪ Vacant positions + 32	
	▪ Separations: + 1	
	▪ New hires: 0	

Michele reported that in January we will see a big difference in this report as we have several new staff starting in January. Also, she and Vini have a meeting scheduled next week to look at the agency's staffing needs. They will be developing a conservative hiring plan for the second half of the fiscal year.

I. Lautze & Lautze Audit Update

Vini reported that the audit has been completed and, in the main, it was a good audit. They gave us a couple of good recommendations on how we could change our processes for the better, including:

1. Develop written payroll procedures on who does what.
2. Separate staff's duties when we receive our payroll registers.

J. Program Closure

One of our behavioral service providers is closing because they are unable to continue to comply with the required staff qualifications as the rates are not viable. This will primarily affect consumers in the Tri-Counties area (about 50 will be impacted), but it will also impact 5 of our consumers.

K. Letter to Terri Delgadillo re: Outstanding POS Receivables

The committee reviewed a draft letter to DDS regarding the center's outstanding POS deficits for FY 2009-10 (\$595,047.59) and FY 2011-12 (\$3,447,081), and also the center's cash flow issue resulting from the implementation of the ICF/SPA billing. The ICF/SPA billing has eroded our FY 2012-13 cash advance by 9%. The letter requests that DDS provide us with funding to cover our outstanding POS deficits and to provide us with additional funds for this fiscal year to cover our cash flow issues and to keep us from having to borrow funds from our bank, which would seriously affect our operations budget.

M/S/C (K. Mead/J. Glover) To recommend to the Executive Committee to approve the letter to DDS regarding our outstanding POS receivables, as presented, on behalf of the Board of Trustees.

V. Items for the Next Board Meeting Agenda

- A. Minutes of the November 28th Meeting
- B. Financial Report for October 2012
- C. 1st Quarter Financial Graphs
- * D. Approval of Contracts with Diversified Transportation and CPES

VI. Announcements / Information

A. Complete Meeting Evaluations

Craig asked the committee members to please complete evaluations after the meeting and submit them to him with any comments.

- B. Next Meeting:** Wednesday, January 30th, at 6:15 p.m.

VII. Adjournment

Craig adjourned the meeting at 7:05 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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