

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

August 26, 2015

Present: Dan Becerra, Dorothy Daniels, Debra Newman, Lou Paparozzi, and Tavia Wooley – Committee Members
Kim Bowser and Tim DePriest – Arthur J. Gallegher & Company
Ken Lane – Vendor Advisory Committee Representative
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Jenean Glover

I. Call to Order & Introductions

Dan called the meeting to order at 6:07 p.m.

II. Public Input - There was no public input.

III. Consent Items

A. Approval of Revised Agenda

Items VII.B. and VII.C. were added to the agenda.

M/S/C (D. Newman/L. Paparozzi) To approve the revised agenda as amended.

B. Approval of Minutes from July 29th Meeting

M/S/C (L. Paparozzi/D. Daniels) To approve the minutes as presented.

IV. Committee Business

A. Review the Center's Insurance Coverages for FY 2015-16

Tim DePriest told the committee that he meets with Kim each year to review the center's insurance needs and to find the best possible terms and rates with the best rated companies. Tim then gave the committee an overview of the center's insurance coverage for:

1. General/professional liability
2. Excess liability
3. Directors & officers liability

4. Property
5. Excess crime
6. Cyber liability
7. Fiduciary liability

After Tim's presentation, Kim reported that we use Brown and Brown to secure our workers compensation insurance and our earthquake and flood insurance. Kim provided an overview of the following additional insurance coverages secured by the center for FY 2015-16:

8. Medical professional liability
9. Bond Insurance
10. Earthquake and Flood Insurance
11. Workers Compensation Insurance

The cost of the first 10 policies total \$308,031, an increase of \$30,360 compared to last fiscal year. The cost of our workers compensation insurance is \$770,450, a decrease of (\$57,128) as compared to last fiscal year. The total of our insurance premiums are \$1,078,481.

B. Financial Report

The center's operations budget is \$40,194,737 and the purchase of service (POS) budget is \$325,911,412. We will not know what our projected deficit will be until we complete our first Sufficiency of Allocation Report (SOAR) in October. For July, our operating expenses were at 11.5%, which is under the 15% cost cap.

1. B-1 Allocation: Kim provided a comparison between the B-1 and A-3 allocations. She also shared the history of reductions that have been made to the center's operations budget since FY 2001-12; a total of \$4,549,531.
2. Board Training Discussion: The allocation methodology has changed. As part of the board's fiduciary responsibility, should they be given a presentation on it? The committee thought it was vital to share this information with the board, however the information should be streamlined so it stays within a certain timeframe, visuals should be used, and the information should be sent to them ahead of time so they have the opportunity to review it prior to the presentation.

Action: Kim will arrange for the board to be given a presentation on the center's allocation methodology at the November 10th board meeting, using the parameters identified above.

3. 4th Quarter Financial Graphs: The graphs show how the center's POS deficit changed each quarter of FY 2014-15 in the best case and worst case. There was no deficit reflected in the first quarter of FY 2014-15 because we had not yet completed our SOAR. Starting in October 2014, we began to report a deficit between \$28.9 and \$32.8 million which has continued to decrease each month. At the end of June 2015, the POS deficit was ranging between \$14.9 and \$15 million.

4. Status Report on Credit Line and Cash Flow: The credit line and cash flow are generally reports toward the end and beginning of each fiscal year.

Action: The committee's critical calendar will be changed to accurately reflect the months when the credit line and cash flow should be discussed.

5. Final Report for FY 2012-13: Kim provided the committee with a final report for FY 2012-13. DDS gave the center a total of \$296,976,208, NLACRC spent \$296,163,604, and we reverted \$812,604 back to DDS.

C. Late Bill Report

The late bills are averaging 18.43%.

D. Intermediate Care Facility (ICF) State Plan Amendment (SPA) Summary

By fiscal year, the amount of cash disbursed by NLACRC but not reimbursed by ICF providers is:

1. FY 2015-16: \$ 692,316
 2. FY 2014-15: \$1,626,306
 3. FY 2013-14: \$ 60,462
 4. FY 2012-13: \$ 42,667
- Total: \$2,421,751

DDS is going to offset the ICF providers' Medi-Cal payments in order to collect these funds.

E. Approval of Contracts

1. City National Bank: Bank Signature Cards

Nancy Bargmann no longer works for DDS and her name will have to be replaced on our signature cards with the name of Brian Winfield.

M/S/C (T. Wooley/D. Newman) To approve having Debra Newman, board secretary, sign the new bank signature cards.

2. PathPoint: 5th Amendment
3. The Adult Skills Center (TASC): 2nd Amendment

M/S/C (L. Paparozzi/T. Wooley) To recommend that the Executive Committee approve the contracts with PathPoint and TASC, as presented, on behalf of the Board of Trustees.

4. Board Resolution for Service Provider Minimum Wage or Paid Sick Leave for New Contracts or Amendments

M/S/C (L. Paparozzi/D. Daniels) To recommend to the Board of Trustees to approve the board resolution, as presented.

5. Board Resolution for Service Provider Eligibility Determination Subcode for Amendments

M/S/C (D. Daniels/L. Paparozzi) To recommend to the Board of Trustees to approve the board resolution, as presented.

- F. 4th Quarter Report on U.S. Bank Transactions (PRMT)

During the 4th quarter of FY 2014-15, the center paid \$6,627 in ongoing fees and \$16,065 in investment management fees for a total of \$22,692. Attached to the report was an explanation of the trust fees and how they are calculated. Kim added that future fees will be deducted from the trust, which we will then issue a check to reimburse the trust for the fees. This process will allow Highmark to determine the rate of return - net of fees.

- G. Human Resources Report

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

1.	FY 2015-16 authorized positions	429
2.	Open positions on hold	1
3.	Open positions vacant	-31
4.	Separations	-7
5.	Sub-total	390
6.	New hires	0
7.	Positions filled	390

The current annual turnover rate is 0.15%, which is higher than normal but typical of the summer months.

H. FY 2014-15 Committee Action Log

Copies of the action log were provided to the committee. The log listed all of the actions that were taken by the committee last fiscal year.

I. Board Audit: Ensure personnel policies are in compliance with DDS contract

The personnel policies are in compliance. Our Conflict of Interest, Whistleblower, and Zero Tolerance policies were all updated last fiscal year.

J. DDS Family Home Agencies (FHA) Monitoring Review

DDS audits our FHAs every 2 years. We currently have just 2 FHAs: Community Options, Inc. and Free to Be. DDS reviewed 14 areas and found that NLACRC or the FHAs were in compliance with 7 areas, out of compliance in 5 areas, and 2 areas were not applicable for the review. NLACRC has either resolved the issues identified or is in the process of resolving the issues identified. Copies of NLACRC's response to the audit and our resolution plan, that we sent to DDS, were provided to the committee for their information.

K. Service Provider Update

Kim gave the committee an update on transportation issues occurring in the Antelope Valley. We received three (3) responses to our Request for Proposals (RFP) and have provided a contingent contract award to Student Transportation of America. They provide transportation services to the school districts in Palmdale and Lancaster. Assembly Member Lackey contacted NLACRC because he received a complaint from a consumer about transportation issues in the Antelope Valley. We also were contacted by Channel 3 news. George, Kim, and

Ruth plans to meet with Assembly Member Lackey to discuss the transportation issues that we have been experiencing in the Antelope Valley.

V. Items for the Next Board Meeting

The following items were identified for the committee's section of the September 9th board meeting agenda:

- A. Minutes of August 26th Meeting
- B. Financial Report
- C. 4th Quarter Financial Graphs
- D. Approval of 2 Board Resolutions

VI. Announcements/Information/Public Input

- A. Complete Meeting Evaluations

Dan asked the committee members to please complete evaluation forms after the meeting and submit them to him with any comments.

- B. Next Meeting: Wednesday, September 30th, at 6:00 p.m.

VII. Executive Session

M/S/C (D. Newman/L. Paparozzi) To go into executive session at 7:57 p.m.

- A. Real Estate/Lease, Union, and Legal Issues

VIII. Adjournment

Dan adjourned the meeting at 8:24 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

