

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

January 30, 2013

Present: Yolanda Bosch, Craig Girard, Jenean Glover, Sharoll Jackson, Eric Leh, and Katie Mead – Committee Members
Duane Joslin – Board Member
Ken Lane - Vendor Advisory Committee Representative
Tony Arrow and Roger Bulosan – Lautze & Lautze
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: All present

I. Call to Order & Introductions

Craig Girard, treasurer, called the meeting to order at 6:15 p.m.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Revised Agenda

Item V.F.3. was added to the agenda. The revised agenda was approved as modified.

B. Approval of Minutes from November 28th Meeting

The minutes were approved as presented.

IV. Executive Session (Board members and Lautze & Lautze Auditors)

The committee went into executive session from 6:59 p.m. to 7:22 p.m.

V. Committee Business

A. Review Annual CPA Audit

The two auditors from Lautze & Lautze provided the committee with a copy of a PowerPoint presentation on the highlights of the Year Ended June 30, 2012 financial statements along with the full draft of the financial statement and reviewed both documents, in detail, with the committee. The center had a clean,

unqualified audit with no material weaknesses found. In addition, there were no significant deficits to report on the center's internal controls.

M/S/C (J. Glover/S. Jackson) To accept the audited financial statement as presented and to present it to the full board at the February 13th board meeting.

B. Financial Report for December 2012

The financial report showed that the operations budget is \$34,418,946 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$237,966,751 with projected expenses of \$268,922,564, leaving a deficit of \$30,955,813 in the worst case (\$25,688,397 deficit in the best case). The family resource center budget is \$122,721 for a total budget of \$272,508,418.

1. Behavioral Services Report – *Deferred*
2. Statewide Regional Center POS Report

Copies of this report were provided to the committee and Kim reviewed it with them. The 21 regional centers are projecting a collective POS deficit for this fiscal year between \$305.8 and 339.9 million (which is substantially higher than the last report). These figures are based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers submitted to the Department of Developmental Services (DDS) on December 10th. This report shows where each regional center is in relation to one another's POS budgets in the following categories:

- Projected POS deficit: NLACRC is the 4th highest and Inland Regional Center is 1st.
- Per Capita by Allocation & by Expenditures: In both cases, NLACRC is 13th and Redwood Coast Regional Center is 1st.
- Percent Deficit to Contract: NLACRC is 11th and Kern Regional Center is 1st.
- Percent Change to Original SOAR: NLACRC is 12th and North Bay Regional Center is 1st.

C. Late Bill Report for December 2012

Copies of the monthly late bill report were provided. The center's late bills are currently averaging 17.7%, which is nothing unusual.

D. ICF/SPA Billing Summary for December 2012

Copies of the ICF/SPA billing summary were provided. The outstanding balance due to NLACRC from intermediate care facility (ICF) providers is \$1,465,294. The outstanding balance due to ICF providers from DDS is \$1,145,829. The total outstanding ICF receivable due to NLACRC related to the ICF state plan amendment (SPA) program is \$2,611,123. The delay in payment to NLACRC for services will impact our cash resources and may result in NLACRC needing to access our credit line as we approach the end of the fiscal year.

E. Contracts for Approval

1. Community Provider of Enrichment Services (CPES) – Donna Facility
2. CPES – Napa Facility
3. CPES – Baird Facility

M/S/C (Y. Bosch/S. Jackson) To recommend to the Board of Trustees to approve the CPES contracts for the Donna, Napa, and Baird facilities, as presented.

4. Crossroads to Success

M/S/C (Y. Bosch/S. Jackson) To recommend to the Executive Committee to approve the contract with Crossroads to Success, as presented, on behalf of the Board of Trustees.

F. Human Resources

1. Activity Summary for January 2013

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

1.	FY 2012-13 authorized positions	414
2.	Authorized positions on hold (not to be filled)	-35
3.	Active authorized positions	379
4.	Active positions filled	-366
5.	Open positions vacant	13

6.	<u>Monthly hiring activity</u>	
	<ul style="list-style-type: none"> ▪ Vacant positions: 26 ▪ Separations: 0 ▪ New hires: 13 	

The current annual turnover rate is 0.00%. Michele added that her department is now focusing on filling positions in our Early Start departments to meet the required caseload ratios.

2. 2nd Quarter Human Resources Report

During the 2nd quarter of this fiscal year, the center had 37 positions on hold, 4 new hires, 2 promotions, and 7 separations for a quarterly turnover rate of 0.17%.

3. Pension Reform

Assembly Bill 340 will bring about pension reforms in California. The majority of the changes will not affect any of the center's employees who were hired prior to the bill's implementation date of January 1, 2013. The reforms will have an effect on the employees we have hired, and will hire, since that time. However, employees who are covered by the union contract will have some of the changes deferred until the contract expires on September 30, 2014. As such, we will need to submit a resolution to the California Public Employees' Retirement System (PERS) affirming that we are unable to comply with AB 340 until the current union contract expires.

M/S/C (Y. Bosch/S. Jackson) To recommend to the Board of Trustees to authorize Yolanda Bosch, board president, to sign the resolution affirming the center's inability to comply with AB 340's pension reforms until the current union contract expires on September 30, 2014.

G. Cash Flow Update

1. Response Letter from Terri Delgadillo

Last month, the Executive Committee approved sending a letter to Terri Delgadillo, director of the DDS, regarding the need for DDS to cover the center's current POS deficits. Copies of her response letter were provided to the committee. Vini just completed a 90-day cash flow projection which showed that the center will have to borrow money from its credit

line unless DDS sufficiently covers our POS deficits. So if we do not receive the necessary funds from DDS, a second letter to DDS will be presented to this committee next month.

H. Program Changes

1. New Horizons

They just opened their new Achievement Center and Kim attended their open house celebration today. This was a 3-year project.

2. Tierra del Sol

Although NLACRC has not yet received written notice, Tierra informed us verbally that they plan to close their 1:3 adult development program at the end of June because the current rate is not sufficient to support that program. This closure will impact approximately 20 consumers.

I. Other Business

1. Status of Santa Clarita Valley (SCV) Office Lease

We are in the process of reviewing lease proposals provided to us by Brian Davies, of Cresa Los Angeles, to determine our lease options for our SCV office; we will be presenting information at a future date for the committee's review and consideration.

2. Unauthorized ACH Transactions

City National Bank recently contacted us to let us know that one of our consumers had been making unauthorized automated clearing house (ACH) transactions from one of our bank accounts totaling \$16,000. A police report has been filed and City National Bank reimbursed us the total amount that was taken. Also, all of our bank accounts now have proper protection to prevent unauthorized ACH transactions.

3. Water Damage

On January 1st, when the building was closed for the holiday, a water pipe burst on the 3rd floor and the clinical department was flooded. The water then made its way to the 2nd and 1st floors. Since then, everything has been

drying out. The carpeting will be replaced. All related expenses will be paid for by our insurance company.

4. Update on Breach Incident

As reported at this month's board meeting, a lap top computer, being used by a staff member who was "on call," was stolen from his car. There was no sensitive information on the lap top (just names, addresses, and phone numbers), however our attorney recommended that we notify our consumers and families of this breach of information. Letters were sent to all our consumers and families and the same letter was posted on the attorney general's website. A public notice will be sent to our local newspapers once approved by DDS and the public notice will also be posted on our website. All of our lap tops now have Lojack, locks, 2 passwords, and an encryption feature.

5. Update on Property Insurance

The center conducts an inventory check twice each year. Our most recent inventory check reflected an increase in value. As such, we have increased the amount of our property insurance which will increase our premium by \$277 per year.

VI. Items for the Next Board Meeting Agenda

- A. Presentation: Annual CPA Audit
- B. Minutes of the January 30th Meeting
- C. Financial Report for December 2012
- D. 2nd Quarter Human Resources Report
- * E. Contracts for Approval
- * F. Approval of Pension Reform MOU

VII. Announcements / Information

- A. Complete Meeting Evaluations

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

- B. Next Meeting: Wednesday, February 27th, at 6:00 p.m.

VIII. Executive Session (Quarterly Legal Update)

The committee went into executive session at 7:58 p.m.

IX. Adjournment

Craig adjourned the meeting at 8:11 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

[aamin.jan.30.2013]

* Action Items

