

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
May 29, 2013

Present: Yolanda Bosch, Craig Girard, Jenean Glover, Sharoll Jackson, and Eric Leh – Committee Members
Richard Dier – Board Member
Jennifer Kaiser, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Katie Mead

I. Call to Order & Introductions

Craig called the meeting to order at 6:06 p.m.

II. Public Input - There was no public input.

III. Consent Items

- A. Approval of Revised Agenda
- B. Approval of Minutes from April 24th Meeting

M/S/C (Y. Bosch/S. Jackson) To approve the revised agenda and the minutes as presented.

IV. Committee Business

A. Financial Report for May 2013

The financial report showed that the operations budget is \$34,393,937 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$243,003,866 with projected expenses of \$266,979,127, leaving a deficit of \$23,975,261. The family resource center budget is \$122,721 for a total budget of \$277,520,524.

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 administrative operating expenses are at 12.6%, with direct care expenses at 87.4%, so we are in compliance with the trailer bill language.

1. Cash Flow Update/Response from DDS: We are currently \$11,000 in the red, so we will have to access our credit line this week. However, we can

only use our credit line for FY 2012-13 expenditures, which means once we begin to borrow, we will not be able to use our credit line to pay prior year claims. We have drafted a letter to Terri Delgadillo, director of the Department of Developmental Services (DDS), notifying her of our insufficient cash resources. Attached to the letter are notices to our service providers and consumers/families that will need to be sent out next week if we don't receive additional funding. We have a conference call with DDS tomorrow to discuss the center's financial status.

Action: A typo will be corrected in the letters to our service providers and consumers/families. Also, both letters will be re-dated June 7th.

M/S/C (Y. Bosch/J. Glover) To recommend to the Executive Committee to empower the board president to sign the 3 letters, on the board's behalf.

George stated that the other regional centers are also facing difficulties as a result of insufficient funding. The Association of Regional Center Agencies' (ARCA's) Board of Directors is in the process of drafting a letter from ARCA to DDS outlining their concerns.

2. ARCA's Summary of Regional Center POS Expenditures: Copies of this report were provided to everyone present. The report shows where each regional center is in relation to one another's POS budgets based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers submitted to DDS. The 21 regional centers are projecting a collective POS deficit for this fiscal year between \$198.9 and \$210.9 million (a slight decrease since last month's report). NLACRC has the highest projected deficit of all 21 centers, showing a deficit between \$22.1 and \$23.2 million.
3. 3rd Quarter Financial Graphs: Copies of the graphs were provided and reviewed. The graph showed no surplus or deficit in July or August because DDS had not provided centers with their POS allocations yet. Starting in September, the projected POS deficit was between \$19 million and \$25 million, which continued to increase in October and November. The graphs now reflect a projected POS deficit between \$25.6 million and \$30.2 million as of March 31st.
4. 3rd Quarter Report on PRMT Transactions: During the 3rd quarter, the center paid \$5,082.31 in ongoing fees and \$9,803.87 in investment management fees for a total of \$14,886.18. Year to date, the center has

paid \$42,652.04 in fees to maintain the trust. Attached to the report was an explanation of the trust fees and how they are calculated.

5. Proposed Projects for FY 2012-13: A summary of the projects the center has planned for next fiscal year was provided and reviewed. We project that these projects, which include a telephone system upgrade and a contribution to the PRMT, will cost about \$1,635,030 to complete.
6. Final Analysis of FY 2010-11 Contract: We are closing out FY 2010-11 and a summary of the final numbers were provided to the committee and reviewed.

B. Late Bill Report for April 2013

Copies of the late bill report were provided. The late bills are currently at 19.50% which is not unusual.

C. ICF/SPA Summary for April 2013

Copies of the Intermediate Care Facility (ICF) State Plan Amendment (SPA) billing summary were provided. The outstanding balance due to NLACRC from ICF providers and DDS is \$708,885. The outstanding balance due to ICF providers from DDS is \$1,337,349. The total outstanding ICF receivable due to NLACRC related to the ICF SPA program is \$2,015,870. DDS sent a letter to the ICFs letting them know that they will offset their Medi-Cal payments for the money they owe the regional centers, but they haven't done it yet.

D. Contracts for Approval

There are 56 contracts that are going to require board approval. Summaries of the contracts were provided, but the full contracts were available in case anyone wanted to look at them.

1. Purchase Reimbursement Contracts: There are 9 contracts for the reimbursement of non-covered insurance co-payments. Several changes were suggested to the summary page.

M/S/C (J. Glover/S. Jackson) To recommend that the Board of Trustees approve the 9 purchase reimbursement contracts.

2. Independent Living Services Contracts: There are 14 contracts for the provision of independent living services.

M/S/C (Y. Bosch/J. Glover) To recommend that the Board of Trustees approve the 14 independent living service contracts.

3. Supported Living Services Contracts: There are 17 contracts for the provision of supported living services.

M/S/C (Y. Bosch/S. Jackson) To recommend that the Board of Trustees approve the 17 supported living service contracts.

4. Specialized Residential Facility Contracts: There are 10 contracts with specialized residential facilities.

M/S/C (Y. Bosch/S. Jackson) To recommend that the Board of Trustees approve the contracts with 10 specialized residential facilities.

5. Edna Aftandelian, LCSW, Contract: The contract is for the provision of specialized social assessments.

M/S/C (Y. Bosch/S. Jackson) To recommend that the Board of Trustees approve the contract with Edna Aftandelian to provide specialized social assessments.

6. Outstanding Contracts: There are 5 community placement plan (CPP) projects pending DDS's approval of funding.

M/S/C (Y. Bosch/S. Jackson) To recommend that the Board of Trustees approve the 5 CPP contracts.

E. Human Resources Activity Summary for May 2013

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

1.	FY 2012-13 authorized positions	415
2.	Authorized positions on hold (not to be filled)	-32
3.	Active authorized positions	383
4.	Active positions filled	-371
5.	Open positions vacant	12

6.	<u>Monthly hiring activity</u> <ul style="list-style-type: none">▪ Vacant positions: 15▪ Separations: 2▪ New hires: 3	
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The current annual turnover rate is 0.04%. Michele added that she will be developing a staffing plan for next fiscal year once we find out what our budget will be; we have a priority to hire service coordinators. Also, Michele has just hired a human resources manager for her department who will be starting work at the end of June.

F. Authorize an Officer to Secure Insurance in June for FY 2013-14

We need to get approval from the board to authorize George or Kim to purchase insurance for the center for next fiscal year through the signing of a resolution by the board secretary.

M/S/C (Y. Bosch/S. Jackson) To recommend to the Board of Trustees to authorize Jenean Glover to sign a resolution that would allow George or Kim to purchase insurance for the center for next fiscal year.

The committee will be given an overview of the center's insurance coverage at their August meeting.

G. Approve Committee's Critical Calendar for FY 2013-14

Only one change was made to the calendar: the references to Union Bank, in regards to the PRMT, were changed to read U.S. Bank as they now oversee our trust.

H. Thank you Letter to KIDS Program

At last month's meeting, the committee asked that George send a thank you letter to the owners of the KIDS program who are retiring and closing that program. Copies of George's thank you letter were provided to the committee.

I. DDS Audit Activity since July 2005

ARCA made a summary of all of the DDS vendor audits that have been done since 2005. A total of 39 audits were conducted and the total amount of the audit findings was \$11,917,636.

J. DDS Request for Payment

During a recent audit, DDS found that the center had made 2 overpayments to providers, in the amounts of \$87.00 and \$755.00. We received the money back from the first provider and forwarded it to DDS, but the provider that owes us the \$755.00 is not responding to our letters and no longer provides services so we cannot offset this amount. Vini drafted a letter to DDS, for the committee's review, letting them know that we will not be able to pay them until we are able to collect the money from the provider.

Action: The committee would like Kim and Vini to work together to establish a dollar amount for any future DDS invoices. If the invoice is under a certain amount, the center will pay it out of the operations budget. If it is over that amount, the center will take the provider to small claims court.

Action: A recommendation was made to send a demand letter to the vendor, which included a statement reporting that NLACRC would pursue remedies, including legal action, to recover the funds. Additionally, a recommendation was made to issue an IRS Form 1099 for the overpayment amount if NLACRC is unsuccessful in obtaining a refund from the vendor.

K. DDS Audit of NLACRC

DDS auditors will be here on July 15th for 4 weeks to audit us for FY 2012-13. Lautze & Lautze auditors will be here in June for pre-audit work and will return in October to do some field work.

L. Santa Clarita Valley Office Lease Update

We are close to getting the lease finalized, we are just waiting for the cost of the space plan. At this point, we believe we will be moving into the new offices in mid-August. Some of our staff from that office were concerned because there is an Edison sub-station next to the new office. Edison representatives will be coming to the office tomorrow to explain to staff that the sub-station poses no danger to them.

V. Items for the Next Board Meeting Agenda

- A. Minutes of May 29th Meeting
- B. Financial Report for May 2013
- C. 3rd Quarter Financial Graphs
- * D. Approval of Contracts
- * E. Approval of Authorize an Officer to Secure Insurance for FY 2013-14

VI. 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, July 31st, at 6:15 p.m. (no June meeting)

VIII. Adjournment

Craig adjourned the meeting at 7:22 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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