

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
July 31, 2013

Present: Craig Girard, Jenean Glover, Eric Leh, and Meredith Rimmer – Committee Members
Diane Ambrose, John Doeblor, Jennifer Kaiser, Michele Marra, Vini Montague, and Kim Rolfes – Staff Members
Ken Lane – Vendor Advisory Committee Representative
Tony Arrow and Roger Bulosan - Lautze & Lautze

Absent: Yolanda Bosch and Sharoll Jackson

I. Call to Order & Introductions

Meredith called the meeting to order at 6:24 p.m.

II. Public Input

Ken Lane provided everyone with pens from his agency, The Adult Skills Center.

III. Consent Items

A. Approval of Revised Agenda

M/S/C (C. Girard/E. Leh) To approve the revised agenda as presented.

B. Approval of Minutes from May 29th Meeting

M/S/C (E. Leh/J. Glover) To approve the minutes as presented.

IV. Committee Business

A. Preliminary Audit Report

Auditors from Lautze & Lautze were here for 2 weeks in June and will return for 2 weeks in October to finalize their audit. As part of their protocol, they like to meet with this committee and talk, in private, about the center's audit. Tony Arrow and Roger Bulosan joined the meeting via teleconference and asked the staff questions about hiring, furloughs, caseload ratios, line of credit, etc. After that, staff left the room.

The Administrative Affairs Committee went into executive session at 6:34 p.m. with the auditors until 6:52 p.m. Staff then re-joined the meeting.

B. Annual Committee Orientation

1. Committee Policies & Procedures
2. Board Audit Section
3. Bylaws Statement
4. Office Location Policy - *Deferred*
5. Outsourcing Policy - *Deferred*

Copies of the committee-related documents above were sent with the meeting packets. Committee members should become familiar with these documents so they fully understand the committee's purpose and their role as committee members.

Action: The committee's office location and outsourcing policies will be reviewed at next month's meeting.

C. Committee's Critical Calendar for FY 2013-14

Copies of the committee's critical calendar for this fiscal year were provided. The calendar lists items the committee should address each month. Jennifer puts these items on the committee meeting agendas so they can be addressed.

D. Committee Meeting Schedule for FY 2013-14

Copies of the meeting schedule were provided. These dates are also included on the board's master calendar. Please note that the committees will meet on Tuesday evenings in September and November due to conflicts with holidays.

E. NLACRC Contract with DDS

Copies of the center's new contract with DDS were presented to the committee, with any language changes noted. The new contract language pertains to the establishment of a zero tolerance policy on consumer abuse or neglect, consumer information security, and shared vendors/case management responsibility.

1. Zero Tolerance Policy (Draft)

Per trailer bill language, the center must establish a zero tolerance policy on the abuse or neglect of consumers. Kim presented a draft of this policy to the committee for their review and input. Our attorney has reviewed the policy and his recommended changes were included in the draft.

M/S/C (J. Glover/E. Leh) To present the draft Zero Tolerance Policy to the Board of Trustees for their review and approval.

F. Financial Report for July 2013

The financial report showed that the operations budget is \$34,393,668 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$253,490,881 with projected expenses of \$266,385,083 leaving a deficit of \$12,894,202. The family resource center budget is \$122,721 for a total budget of \$288,007,270.

Per trailer bill language, regional centers must spend no more than 15% of their budget on administrative costs. Year to date, the center's administrative operating expenses are at 12.7%, with direct care expenses at 87.3%, so we are in compliance with the trailer bill language.

1. Sales Tax Discussion

The regional centers' contract with the Department of Developmental Services (DDS) contains a section that lists what types of payments should be considered "administrative costs." One of the items on the list is taxes. If we begin including sales tax in our administrative costs, this could become a problem for us. Kim consulted the center's attorney and he believes we have a strong case against including sales tax in our administrative costs. We have no concerns on how we're allocating our other costs as we solidly follow ARCA's recommendations.

Action: Kim will contact her peers at other regional centers to find out if they figure their sales tax into their administrative or POS costs and she will also contact Lautze & Lautze and obtain their advice and give the committee a report on what she found at next month's meeting.

2. Letter from Terri Delgadillo dated July 11, 2013

We received a response to the board's May 29th letter to Terri Delgadillo at DDS. Copies of her response were provided to the committee.

3. Status Report on Credit Line and Cash Flow

We had to borrow money from our credit line for a short time in June; we borrowed nearly \$6 million that cost us \$1,385 in interest. We currently have sufficient cash and don't have the need to borrow at this time.

4. Late Bill Report for June 2013

Copies of the monthly late bill report were provided to the committee. Vini reported that the late bills are averaging about 19% which is not unusual for this time of year.

5. ARCA Summary of Regional Center SOARs as of July 10, 2013

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. Two of the regional centers (Harbor and Orange) are now projecting POS surpluses. The other 19 regional centers are projecting a collective POS deficit for this fiscal year between \$90.8 and \$98.6 million (a huge decrease since last month's report). NLACRC has the highest projected deficit of all of the centers, showing a deficit of \$11.6 million.

6. FY 2010-11 Final Report

We are getting ready to close out FY 2010-11. A summary of the center's projected balances for that fiscal was provided to the committee.

G. ICF/SPA Summary for June 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 \$1,746,777. The outstanding balance due to ICF providers from DDS is \$869,935. The total outstanding ICF receivable due to NLACRC related to the ICF SPA program is \$2,578,041.

H. Contracts for Approval

1. Community Provider of Enrichment Services (CPES)

M/S/C (C. Girard/J. Glover) To recommend to the Board of Trustees to approve the contract with CPES for start-up funding to operate 4 specialized residential facilities in the amount of \$500,000.

2. Brigitte Travis-Griffin, Psy.D.

M/S/C (C. Girard/E. Leh) To recommend to the Board of Trustees to approve the contract with Dr. Brigitte Travis-Griffin, clinical psychologist, in the amount of \$553,328.40 over the contract term.

3. Evelin Garcia, Psy.D.

M/S/C (E. Leh/C. Girard) To recommend to the Board of Trustees to approve the contract with Dr. Evelin Garcia, clinical psychologist, in the amount of \$553,328.40 over the contract term.

I. Human Resources

1. Activity Summary for July 2013

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

1.	FY 2013-14 authorized positions	414
2.	Authorized positions on hold (not to be filled)	-33
3.	Active authorized positions	381
4.	Active positions filled	-364
5.	Open positions vacant	16
6.	<u>Monthly hiring activity</u>	
	▪ Vacant positions: 16	
	▪ Separations: 5	
	▪ New hires: 4	

The current annual turnover rate is 0.61%. Michele added that she will be working with Michele, John, and Vini to develop a staffing plan for this fiscal year; we have a priority to hire service coordinators.

2. 4th Quarter Report

During the 4th quarter of last fiscal year, the center had 32 positions on hold, 10 new hires, 1 promotion, and 4 separations for a quarterly turnover rate of 0.09%.

3. Full Time HIPAA Officer

Michele and Kim are working to write a job description for this new position. Kim is currently handling these job duties herself.

J. DDS Audit Update

1. Refund of \$588.31 for FY 2009-10 and FY 2010-11

As a result of the DDS audit for FY 2009-10 and FY 2010-11, DDS sent NLACRC an invoice seeking payment in the amount of \$838.44 as it related to overpayments NLACRC made to 2 service providers. NLACRC reviewed its records and determined that \$588.31 (rather than \$838.44) was due to DDS. NLACRC issued a check on July 26, 2013 to reimburse DDS for the overpayment.

2. Recovery Policy (Draft)

Copies of the draft policy were presented to the committee for their review and input. The policy pertains to the center's recovery of funds owed by service providers.

M/S/C (J. Glover/E. Leh) To present the draft Recovery Policy to the Board of Trustees for their review and approval.

Action: Per Eric's suggestion, Kim will explore including a provision in our service provider contracts that provides NLACRC the ability to recover overpayments made by NLACRC to a service provider.

Action: The draft Recovery Policy will be presented again at next month's meeting so the committee can review any proposed changes that have been recommended.

3. Update on DDS Audit for FY 2011-12 and FY 2012-13

Auditors from DDS have been here for the past couple of weeks to conduct an audit of these 2 fiscal years. Kim gave the committee a report on their auditors' preliminary findings, including:

- They reviewed 18 day programs with no findings.
- They reviewed 30 client records and found only 3 instances where consumers did not receive their personal and incidental (P&I) money in a timely manner.
- They had questions regarding the composition of the board.
- We had only draft board and board committee meeting minutes posted on our website and had to replace them with the approved minutes.

- They reviewed all contracts with amounts between \$250,000 and \$500,000 with no findings.

Action: Kim will give an update on the DDS audit at the August 14th board meeting.

V. Items for the Next Board Meeting Agenda

- A. Minutes of July 31st Meeting
- B. Financial Report for July 2013
- C. 4th Quarter Human Resources Report
- D. Presentation of Draft Zero Tolerance Policy
- E. Presentation of Draft Recovery Policy
- * F. Approval of Contracts
 - 1. Community Provider of Enrichment Services (CPES)
 - 2. Brigitte Travis-Griffin, Psy.D.
 - 3. Evelin Garcia, Psy.D.

VI. Announcements / Information

A. Complete Meeting Evaluations

Meredith asked everyone to please complete evaluation forms after the meeting and submit them to him with any comments.

- B. **Next Meeting:** Wednesday, August 28th, at 6:00 p.m.

VII. Executive Session

A. Quarterly Legal Update

The committee went into executive session at 8:17 p.m.

VIII. Adjournment

Meredith adjourned the meeting at 8:31 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

[aamin.jul31.2013]

