

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
October 30, 2013

Present: Yolanda Bosch, Craig Girard, Sharoll Jackson, Eric Leh, and Meredith Rimmer – Committee Members
Ken Lane – Vendor Advisory Committee Representative
Bernard Brown and Scott Transue - Southland Transit
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Jenean Glover

I. Call to Order & Introductions

Meredith called the meeting to order at 6:15 p.m.

II. Public Input

The committee members and staff thanked Ken Lane for inviting them to TASC's recent gala event. A good time was had by all!

III. Consent Items

A. Approval of Revised Agenda

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

B. Approval of Minutes from September 24th Meeting

M/S/C (S. Jackson/C. Girard) To approve the minutes as presented.

IV. Committee Business

A. Financial Report for September 2013

The financial report showed that the operations budget is \$33,471,768 with projected expenses of \$34,524,768, leaving a deficit of \$1,053,000. The purchase of service (POS) budget is \$245,415,296 with projected expenses of \$245,708,318, leaving a deficit of \$293,022. We won't know the actual figures, in terms of deficits or surpluses, until we complete our first Sufficiency of Allocation Report (SOAR). The SOAR is due to DDS in December, but Kim has asked Vini to prepare one early so it can be presented at next month's Administrative Affairs

Committee meeting. She wanted the committee to have an idea of what our projected deficit was before the holiday break. Kim also added that we have not received our E-2 allocation from DDS as yet, which is going to include the \$1.926 million that DDS accidentally shorted us in our E-1 allocation. In addition, DDS has approved our community placement plan (CPP) for this fiscal year, but has not allocated us any CPP funds yet. Even though we are unable to forecast our projected POS deficit at this time with any accuracy, we do know that we were allocated less in POS than we were last fiscal year, so we are anticipating a deficit in the neighborhood of at least \$21 million.

1. Administrative vs. Direct Allocation Report

The report showed that as the end of September, the center's administrative operating expenses were at 9.2% and our direct operating expenses were 90.8%. Year to date, our administrative operating expenses are 14.2% and our direct operating expenses are at 85.8%. The administrative operating expense cap for regional centers is 15%. Our operating expenses were high at the beginning of the fiscal year because of purchases that are made (such as insurance) at the beginning of the year, but this should not be cause for concern.

2. Projection of Surplus/Deficit (*deferred to November*)

3. Status Report on Credit Line and Cash Flow

Kim stated that she is very grateful that the center switched banks from Union Bank to City National Bank (CNB), because Union Bank is not offering its regional center customers a credit line until January 2014. NLACRC has a credit line with CNB and we do not need to access it at this time. Also, we have a new point person at CNB; her name is Cheryl Gage. Cheryl replaces Cheri Warren, who recently left CNB.

4. ARCA Rent vs. Allocation Report

Kim presented copies of ARCA's report which showed each regional center's rent costs and the amount that DDS is covering them. DDS will be covering 98.78% of the center's rental costs, which is manageable.

B. Status Report on Lease Agreements

A status report on the center's lease agreements is given to this committee on an annual basis. Highlights of the center's 3 office leases (including the one for the new Santa Clarita office) were provided.

1. Van Nuys Sublease

The center's new scanning project is going to require some working space. The Van Nuys office building has additional space that we can lease for a short-term period (20 months) for a total rental cost of \$88,776.

M/S/C (S. Jackson/C. Girard) To recommend to the Executive Committee to approve the sublease in the Van Nuys office building, on behalf of the board, to rent additional space for 20 months in the amount of \$88,776 to provide an area for the center's records to be scanned.

2. Great American Loss Prevention Service Report

Our property insurance carrier, Great American, conducted an on-site safety inspection of all 3 of our offices and had no findings!

C. Late Bill Report for September 2013

We currently have \$6.2 million in late bills which are running at 17.28%, which is consistent. The implementation of our electronic billing system has definitely helped keeping our late bills to a minimum. Ken asked if vendors could upload attendance data directly into the e-billing system, if so it would be very beneficial for providers.

Action: Kim will find out if vendors can upload attendance data in the e-billing system and report back at next month's committee meeting.

D. ICF/SPA Summary for September 2013

Copies of the monthly report were provided and reviewed. The current balance due to the center from intermediate care facilities (ICFs) and DDS for FY 2012-13 is \$408,543.48 and for FY 2013-14 is \$2,005,020.

E. Contracts for Approval

1. Southland Transit, Inc.

Our current contract with Southland will expire tomorrow and needs to be renewed. Kim reported that the center has reason to believe that Southland has been overpaid by NLACRC in the amount of \$204,543.42. Southland disagrees with both the audit period reviewed by NLACRC and the amount of the overpayment and Southland has requested NLACRC to provide them with their administrative process through a fiscal audit appeal. Kim explained that Southland has agreed in their new contract to offset the amount of the overpayment, as determined through the fiscal audit appeal process, over the remaining term of the new contract. Further, Kim explained that if for any reason the contract was to be terminated, the overpayment amount could be recovered by NLACRC by offsetting Southland's monthly invoices.

M/S/C (C. Girard/S. Jackson) To recommend to the Executive Committee to approve the 5-year contract with Southland Transit, on behalf of the board, in the amount of approximately \$12,500,000 over the contract term.

2. HOPE Funding Agreement

Kim explained that our attorney made a master contract with HOPE that includes all of the exhibits. Kim is requesting approval of the first amendment to the funding agreement in connection with the purchase and improvements of homes for consumers leaving developmental centers and other large facilities. The total CPP funding received to acquire and renovate the facilities comes to \$2,352,586.

M/S/C (S. Jackson/C. Girard) To recommend to the Board of Trustees to approve the first amendment of the funding agreement with HOPE in the amount of \$2,352,586.

F. Human Resources Activity Summary for October 2013

Michele reported that although we have not received our E-2 allocation, which will include almost \$2 million in operations funding, we have moved forward with crafting a staffing plan that will be implemented once we receive the funds. We are looking at opening 19 positions that are currently on hold that includes 15 service coordinator positions. We were able to finally hire 2 needed supervisor positions at the Antelope Valley office and we had 3 separations this month, including 2 deaths.

G. Employment Development Department (EDD) Audit

We were selected, at random, for an audit by the EDD. They will be reviewing our records for a 3 year period, from the most recent quarter ending September 30th and going back 3 years. Alta Regional Center was also randomly selected by the EDD for an audit. Kim does not anticipate any problems with the audit.

H. Wellspring

DDS notified us on Friday that they want us to release a public notice on the Wellspring information security breach that occurred last year. The breach included 10 regional centers and over 1,300 consumers. Our attorney recommends that we do this. A 1-800 number is included in the notice that staff will need to monitor. Copies of the draft public notice were provided to the committee and reviewed; some minor typos were found. The notice will be printed in all of our local papers for 1 day by the November 8th deadline.

Action: Kim will find out from our attorney how long we need to operate the 1-800 number on the Wellspring public notice.

I. Actions by NLACRC Regarding Service Providers

The center has 8 service providers that have not responded to our request for a copy of their independent 2011 financial audits/reviews as required by statute. Most of these providers operate more than 1 service and serve a total of 277 consumers in total. Statute requires regional centers to terminate service provider vendorizations if the service provider does not submit their independent audit/review reports to us. We plan to verify the list of service providers and then, once verified, begin the process of terminating their vendorizations by discontinuing referrals to them and identifying alternate services the consumers they serve.

Action: Kim will e-mail copies of the final letters that will be sent to these 8 providers who have not submitted their financial audits/reviews to Craig Girard.

V. **Items for the Next Board Meeting Agenda**

The following items were identified for the November 13th board meeting agenda.

- A. Minutes of October 30th Meeting
- B. Financial Report for September 2013
- * C. Approval of HOPE Funding Agreement

VI. Announcements / Information

A. Complete Meeting Evaluations

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

B. Next Meeting: *Tuesday*, November 26th, at 6:00 p.m.

VII. Executive Session (Quarterly Legal Update)

The committee went into executive session at 7:32 p.m.

VIII. Adjournment

Meredith adjourned the meeting at 7:48 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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