

North Los Angeles County Regional Center  
**Administrative Affairs Committee Meeting Minutes**  
February 26, 2014

**Present:** Yolanda Bosch, Craig Girard, Jenean Glover, Sharoll Jackson, Eric Leh, and Meredith Rimmer – Committee Members  
Jessica Gould – Board Member  
Ken Lane – Vendor Advisory Committee Representative  
Roger Bulosan (via teleconference) – Guest  
Jennifer Kaiser, Michele Marra, Kim Rolfes, and George Stevens – Staff Members

**Absent:** All present

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**I. Call to Order & Introductions**

Meredith called the meeting to order at 6:00 p.m.

**II. Public Input** - There was no public input.

**III. Consent Items**

A. Approval of Revised Agenda

**M/S/C** (Y. Bosch/C. Girard) To approve the revised agenda as presented.

B. Approval of Minutes from January 29<sup>th</sup> Meeting

**M/S/C** (Y. Bosch/E. Leh) To approve the minutes as presented.

**IV. Presentation of NLACRC's IRS Form 990** (Roger Bulosan, Lautze & Lautze)

It is required by law for the board to review the center's completed Return of Organization Exempt from Income Tax (990) form each year. Copies of the center's completed form were provided to everyone present and Roger Bulosan reviewed it with them page-by-page.

**M/S/C** (Y. Bosch/S. Jackson) To authorize Lautze & Lautze to present the center's finalized IRS Form 990 at the March 12<sup>th</sup> board meeting and to recommend that the board accept the form as presented.

Discussion began about Lautze & Lautze's ability to provide the board with training on how to better fulfill their fiduciary duties, covering subjects such as governance, how to read a financial statement, good questions to ask management staff, etc. Roger Bulosan or Tony Arrow could provide the training, which would take about 4 hours and cost between \$4,000 and \$6,000 including travel expenses.

**Action:** Kim will contact Roger Bulosan and ask him to provide her with possible training topics for the board retreat in May.

**M/S/C** (C. Girard/Y. Bosch) To recommend to the Board of Trustees to provide a fiduciary training at the August board meeting. The training would consist of a stewardship overview by our corporate counsel followed by Vini Montague's "finances 101" presentation.

**Action:** Kim will contact Mike Monk, corporate counsel, and ask if he or one of his colleagues could provide the board with an overview on stewardship at the August board meeting.

## V. Committee Business

### A. Financial Report for January 2014

The financial report showed that the operations budget is \$36,536,426 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$255,891,578 with projected expenses of \$290,576,676, leaving a deficit of \$34,685,098 (in the worst case) and \$31,074,215 (in the best case).

#### 1. Letter to Mike Wilkening, Acting Director, DDS

Kim presented a draft letter to DDS updating them on the center's POS deficit and cash flow situation. We are asking them for \$29.2 million.

**M/S/C** (Y. Bosch/S. Jackson) To approve the letter to DDS as presented and to present it to the Executive Committee for approval on behalf of the Board of Trustees.

### B. 2<sup>nd</sup> Quarter Financial Graphs

Copies of the graphs were provided and reviewed. The graph showed no surplus or deficit in the beginning of the fiscal year because DDS had not provided

centers with their POS allocations yet. Starting in October, the projected POS deficit was between \$40.9 million and \$46 million, which has slowly decreased in November and December. The graphs now reflect a projected POS deficit between \$39.6 million and \$43.22 million as of December 31<sup>st</sup>.

C. 2<sup>nd</sup> Quarter Report on PRMT Transactions

During the 2<sup>nd</sup> quarter of this fiscal year, the center paid \$5,657.84 in ongoing fees and \$12,441.81 in investment management fees for a total of \$18,099.65. Attached to the report was an explanation of the trust fees and how they are calculated. Kim explained that the trust fees continue to increase as the size of the trust continues to increase.

D. Late Bill Report for January 2014

The late bills are averaging about 18.8% which is not unusual. Last year at this time late bills were averaging about 19.2%.

E. Intermediate Care Facility (ICF) State Plan Amendment (SPA) Summary for January 2014

The report showed that the total cash actually disbursed by NLACRC but not reimbursed by ICFs is \$3,022,522.57.

F. Human Resources Activity Summary for February 2014

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)	-27
3.	Active authorized positions	387
4.	Active positions filled	362
5.	Open positions vacant	23
6.	<u>Monthly hiring activity</u>	
	▪ Vacant positions: 23	
	▪ Separations: <u>+ 2</u>	
		25
	▪ New hires: <u>- 0</u>	
		25

The current annual turnover rate is 0.05%. Michele reported that the center spent a lot of time recruiting this month, which will be reflected in next month's report.

G. DDS Draft Audit Report

Copies of the draft audit report were provided and reviewed. There were 3 audit findings:

1. Family Cost Participation Program: 3 late assessments. This is a structural issue that all of the regional centers are struggling with. We will be recommending that a work group be formed to resolve this issue.
2. Client trust balances over \$2,000, which results in clients losing their Social Security benefits. This is another structural problem. The \$2,000 limit has been in effect for 30 years! The limit needs to be raised.
3. Not all of our vendors are using electronic billing. We do business with such companies as JC Penney and Valencia Pharmacy, who cannot be expected to submit their bills using our e-billing system. Golden Gate Regional Center was also cited for this same audit issue and has worked with an attorney to develop a document which demonstrates financial hardship for these types of service providers. NLACRC intends to utilize this same document to address the audit finding.

H. Service Provider Updates

1. Southland Contract: This issue is still unresolved. We gave them a 30 day notice to comply with the new contract terms and it expires on Friday. If NLACRC is unsuccessful in negotiating a contact with Southland, we will begin using them month-to-month until we contract with a new transportation company for the Antelope Valley. Notices went out to our consumers and service providers in the Antelope Valley informing them of the situation.
2. Therapeutic Living Center (TLC) Privacy Breach: A TLC staff member had a lap top computer stolen from their home that contained confidential information on 70 different consumers who belong to 3 different regional centers, including us. TLC sent notices to the affected consumers and NLACRC reported the privacy breach to DDS.

I. Approval of Contract: Applied Behavior Consultants, Inc.

This contract is for the reimbursement of non-covered insurance co-payments and co-insurance. It is projected to be about \$1,170,000 over the 5-year contract term.

**M/S/C** (E. Leh/C. Girard) To recommend to the Board of Trustees to approve the contract with Applied Behavior Consultants, Inc., as presented.

J. ARCA Statewide Regional Center POS Report

Copies of the report were provided Kim reviewed it with the committee. The figures in the report are based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers recently submitted to DDS. The figures do not include the E-3 allocations. The 21 regional centers are projecting a collective POS deficit for this fiscal year between \$204.9 and \$226.9 million. This report shows where each regional center is in relation to one another's POS budgets in the following categories:

1. Projected POS deficit: All 21 regional centers are projecting POS deficits; NLACRC is the highest.
2. Per Capita by Allocation: NLACRC is 13<sup>th</sup>.
3. Per Capita by Expenditures: NLACRC is 11<sup>th</sup>.
4. Percent Deficit to Contract: NLACRC is 2<sup>nd</sup>.
5. Percent Change to Original SOAR: NLACRC is 8<sup>th</sup>.

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

The following items were identified for the March 12<sup>th</sup> board meeting agenda:

- A. Minutes of February 26<sup>th</sup> Meeting
- B. Financial Report for January 2014
- C. 2<sup>nd</sup> Quarter Financial Graphs
- D. Recommendation for a Training at the August 13<sup>th</sup> Board Meeting
- \* E. Approval of Contract: Applied Behavior Consultants, Inc.
- \* F. Acceptance of IRS 990 Form

**VII. Announcements / Information**

- A. Ken reported that he, Meredith, and Jenean all attended Assembly Member Matt Dababneh's swearing in ceremony.

- B. Complete Meeting Evaluations: Meredith asked the committee members to please complete evaluation forms after the meeting and submit them to her with any comments.
- C. Next Meeting: Wednesday, March 26<sup>th</sup>, at 6:00 p.m.

### VIII. Adjournment

Meredith adjourned the meeting at 7:08 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

[aamin.feb26.2014]

\* Action Item

