

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

March 26, 2014

Present: Jenean Glover, Eric Leh, and Debra Newman – Committee Members
Dan Becerra (via polycom) and Jessica Gould – Board Member
Ken Lane – Vendor Advisory Committee Representative
Kristina Newman - Guest
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and
George Stevens – Staff Members

Absent: Craig Girard and Meredith Rimmer

I. Call to Order & Introductions

The meeting was called to order by Eric Leh, in Meredith's absence, at 6:12 p.m.

II. Public Input - There was no public input.

III. Consent Items

A. Approval of Revised Agenda

Copies of the revised agenda were provided.

M/S/C (J. Glover/D. Newman) To approve the revised agenda as presented.

B. Approval of Minutes from February 26th Meeting

M/S/C (J. Glover/D. Newman) To approve the minutes as presented.

IV. Committee Business

A. Financial Report for February 2014

The purchase of service (POS) deficit amount has not changed since this month's board meeting. The operations budget is \$36,536,426 with projected expenses in the same amount, leaving no surplus or deficit. The POS budget is \$255,860,643 with projected expenses of \$290,213,526, leaving a deficit of \$34,352,883 (in the worst case) and \$31,671,909 (in the best case).

1. Administrative vs. Direct Allocation Report

The report showed that year-to date, the center's direct operating expenses are at 87.4% and administrative expenses are at 12.6%, which is below the 15% cap.

2. Letter re: NLACRC's Budget to Santi Rogers, Director of DDS

The committee reviewed the draft letter to DDS outlining the center's budget situation. Kim reported that DDS will be allocating the E-4 allocations at the end of this week; we are asking for \$15 million.

M/S/C (D. Newman/J. Glover) To recommend to the Executive Committee to approve the letter to DDS, regarding the center's budget, on behalf of the Board of Trustees.

3. Credit Line Needs

Kim asked the committee if they were comfortable with asking City National Bank to increase both the center's bridge credit line from \$58 million to \$65 million and increase the monthly credit line from \$22 million to \$25 million. In the event the Center needed to borrow, the higher credit line would mean that the Center would incur a higher cost of interest. An increase in the bridge loan would provide the center with a larger "safety net." And the increase in the monthly credit line would provide funds to cover one month of expenditures. The committee agreed to seek both an increase in its bridge credit line and monthly credit line from City National Bank.

4. City National Bank Letter, dated March 11, 2014

Each year, the bank sends us a letter on the status of the national's economy and the investment outlook. Copies of this year's letter were shared with the committee.

5. ARCA Statewide Regional Center POS Report

The 21 regional centers are projecting a collective POS deficit for this fiscal year between \$201.7 and 219.9 million. These figures are based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers submitted to the Department of Developmental Services (DDS) on March 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 highest.
- Per Capita by Allocation: NLACRC is 13th.
- Per Capita by Expenditures: NLACRC is 11th.
- Percent Deficit to Contract: NLACRC is 2nd.
- Percent Change to Original SOAR: NLACRC is 8th.

6. FY 2011-12 Contract Update

We are working with DDS to make sure we have enough funds to cover all remaining late bills for FY 2011-12 as that contract year is closing. We still owe Wellspring \$181,048.69, and we may owe Southland Transit about \$65,976.78 depending upon the outcome of the Southland audit appeal decision. DDS is checking with their legal department and will be getting back to us on this.

B. Late Bill Report for February 2014

The center's late bills are currently averaging 18.75% which is within the normal range.

C. ICF/SPA Summary for February 2014

The total cash actually disbursed by the center for FY 2012-13 and FY 2013-14, but not reimbursed by ICF providers, is currently at \$2,727,093.38.

D. Contracts

1. Elwyn NC

M/S/C (J. Glover/E. Leh) To approve the contract with Elwyn, NC, as presented, and to recommend its approval to the Board of Trustees.

2. McRory Behavioral and Family Support Services, Inc.

M/S/C (D. Newman/J. Glover) To approve the contract with McRory Behavioral and Family Support Services, Inc., as presented, and to recommend its approval to the Board of Trustees.

3. Speech and Language Pathology Associates, Inc., dba Speech, Language & Educational Associates

M/S/C (J. Glover/D. Newman) To approve the contract with Speech and Language Pathology Associates, as presented, and to recommend its approval to the Board of Trustees.

4. Finchloom, Inc.

M/S/C (J. Glover/D. Newman) To approve the contract with Finchloom, Inc., as presented, and to recommend its approval to the Board of Trustees.

5. Outstanding Contracts

The center currently has 7 outstanding contracts for the reimbursement for co-insurance and co-payments which have not been finalized as yet due to various reasons.

6. Southland Transit Update and Announcement

Kim announced that the center has successfully reached an agreement with Southland in terms of a new contract. Once the new contract has been fully executed, notices will be going out to our providers and consumers in the Antelope Valley who were notified that a transportation change may occur due to the contract difficulties.

E. NLACRC Response to DDS Draft Audit Report

DDS reported 3 findings in their recent audit report of NLACRC's fiscal records for FY 2011-12 and 2012-13. Copies of a letter outlining the findings and the center's response to each were provided to the committee and reviewed.

F. Service Provider Update

The center is sending notices to service providers who have not submitted their 2011 or 2012 audits/financial reviews to us as required by statute. We currently have 10 providers who have not submitted their 2011 report and 50 providers who have not submitted their 2012 reports. Also, 2 of the providers hired a CPA firm who submitted blank financial statements to us! We have notified the California Board of Accountancy to investigate the CPA firm.

G. Human Resources Activity Summary for March 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)	-18
3.	Active authorized positions	396
4.	Active positions filled	384
5.	Open positions vacant	22
6.	<u>Monthly hiring activity</u> <ul style="list-style-type: none"> ▪ Vacant positions: 22 ▪ Separations: <u>+ 0</u> 22 ▪ New hires: <u>-10</u> 12 	

The current annual turnover rate is 0.00%. Michele reported that the center spent a lot of time recruiting this month, which will be reflected in next month's report. The next hire date will be May 5th.

Michele added that the \$1.926 million that DDS inadvertently left out of our E-1 allocation affected our ability to hire staff at the beginning of the fiscal year.

H. 3rd Quarter Human Resources Report

During the 3rd quarter of this fiscal year, the center had 18 positions on hold, 15 new hires, 3 promotions, and 4 separations for a quarterly turnover rate of 0.09%.

V. Items for the Next Board Meeting Agenda

The committee identified the following agenda items for the April 9th board meeting:

- A. Minutes of March 26th Meeting
- B. Financial Report for February 2014
- C. 3rd Quarter Human Resources Report
- * D. Approval of Contracts

VI. Announcements / Information

- A. Complete Meeting Evaluations

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

B. Legislative Breakfast DVD

Ken announced that a short video has been developed for the upcoming breakfast and George's remarks in the DVD were outstanding.

Action: The committee would like the DVD to be shown at the next board meeting.

C. Next Meeting: Wednesday, April 30th, at 6:15 p.m.

VII. Executive Session

The committee went into executive session at 7:07 p.m.

A. Legal Report

VIII. Adjournment

Eric adjourned the meeting at 7:20 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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* Action Item

