

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

April 30, 2014

Present: Craig Girard, Jenean Glover, Eric Leh, Debra Newman, and Meredith Rimmer – Committee Members
Ken Lane – Vendor Advisory Committee Representative
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: All present

I. Call to Order & Introductions

Meredith called the meeting to order at 6:17 p.m.

II. Public Input - There was not public input.

III. Consent Items

A. Approval of Revised Agenda

Item IV.I. was added to the agenda.

M/S/C (J. Glover/E Leh) To approve the revised agenda as modified.

B. Approval of Minutes from March 26th Meeting

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

IV. Committee Business

A. Financial Report for March 2014

The financial report showed that the operations budget is \$36,559,256 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$263,743,318 with projected expenses of \$288,432,764, leaving a deficit of \$24,689,446 (in the worst case) and \$23,384,174 (in the best case). The drop in the POS deficit is attributed to the receipt of our E-4 allocation from the Department of Developmental Services (DDS) which was just under \$8 million.

Also, the center must keep its administrative operating expenses under the 15% cap. Year-to-date, the center's administrative operating expenses are at 12.5%.

1. ARCA Statewide Regional Center POS Report

All of the regional centers are projecting a POS deficit for this fiscal year except for Alt California Regional Center who is currently projecting a surplus in their best case projection. The collective deficit statewide is between about \$134.8 and 249 million. These figures are based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers submit to DDS. 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 9th.

B. Late Bill Report for March 2014

The center's late bills are currently averaging 18.15% which is nothing out of the ordinary. In fact, the average late bills for last fiscal year were at 19.29%, only just slightly higher. The electronic billing process and made vendor billings much more consistent.

C. ICF/SPA Summary for March 2014

The Intermediate Care Facility (ICF) State Plan Amendment (SPA) summary was provided. Currently, the total amount of cash disbursed by NLACRC but not reimbursed by ICF providers is \$2,303,263.61. For last fiscal year, the amount is \$346,631.74.

D. Approval to Pay ARCA Dues

M/S/C (C. Girard/J. Glover) To recommend to the Board of Trustees to pay the ARCA dues in the amount of \$82,530.00 for FY 2014-15.

E. Approval of Contracts

1. Elwyn California (First Amendment)

M/S/C (D. Newman/C. Girard) To approve the reimbursement agreement with Elwyn California to provide start-up funding to operate 3 specialized residential facilities, as presented, and to recommend that the

Executive Committee approve this agreement on behalf of the Board of Trustees.

2. Elwyn California (Kelvin I)

M/S/C (E. Leh/D. Newman) To approve the agreement with Elwyn California to operate a specialized residential facility (Kelvin I), as presented, and to recommend it to the Board of Trustees for approval.

3. Elwyn California (Kelvin 2)

M/S/C (C. Girard/J. Glover) To approve the agreement with Elwyn California to operate a specialized residential facility (Kelvin II), as presented, and to recommend it to the Board of Trustees for approval.

4. Elwyn California (Mayall)

M/S/C (C. Girard/E. Leh) To approve the agreement with Elwyn California to operate a specialized residential facility (Mayall), as presented, and to recommend it to the Board of Trustees for approval.

5. Right Choice In-Home Care, Inc.

M/S/C (C. Girard/D. Newman; Abstention: J. Glover) To approve the contract with Right Choice Home Care, Inc. to provide supported living services, as presented, and to recommend it to the Board of Trustees for approval.

6. New Horizons

M/S/C (J. Glover/C. Girard) To approve the contract with New Horizons to provide in-home day program services, as presented, and to recommend it to the Board of Trustees for approval.

7. Summary of Outstanding Service Agreements

Kim provided the committee with information regarding the contracts and the reason for the retroactivity.

M/S/C (C. Girard/J. Glover) To approve seven retroactive contracts for the reimbursement of non-covered insurance copayments or coinsurance

and to recommend to the Executive Committee to approve them on behalf of the Board of Trustees.

F. Credit Line Update

At last month's meeting, Kim asked for the committee's approval to ask City National Bank (CNB) to increase the amount of our bridge loan from \$58 million to \$65 million and to increase our revolving credit line from \$22 million to \$25 million and the committee agreed. Kim spoke with CNB about increasing the center's credit line. CNB declined to increase the center's bridge loan, so the bridge loan still stands at \$58 million. However, the bank did agree to increase the center's revolving line of credit from \$20 million to \$25 million.

Kim reported that she asked CNB to add Vini Montague, controller, in addition to George Stevens, executive director, and Kim Rolfes, CFO, to the Disbursement Instructions of the credit line documents so Vini may make disbursements from the credit line to pay our claims.

Based on our current cash projection, we are projecting that we will need an additional \$9 million of cash resources from DDS or we will need to access our line of credit during the month of June to pay our May claims.

G. Insurance Update

1. Tim DePriest, managing director, our insurance broker at Chapman, has been named "Power Broker" for the Nonprofit Industry by Risk & Insurance Magazine for the second year in a row. Additionally, Tim was also selected by Liberty Mutual for its annual Responsibility Leader designation for Tim's significant personal and professional contributions to the nonprofit sector. The awards Tim received are a huge honor and represent the highest level of individual achievement in the commercial insurance industry.
2. Nonprofits' Insurance Alliance of California (NIAC), our insurance carrier, announced that the NIAC Board of Directors declared a dividend for the 8th year in a row, which will be distributed to qualifying members when they renew their 2014-2015 policy(s). NLACRC will be eligible to receive dividends from NIAC after 3 years. The first year that NLACRC will be eligible is the policy year beginning in July 2015.

H. Human Resources Activity Summary for April 2014

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

1.	FY 2013-14 authorized positions	414
2.	Open positions on hold	-20
3.	Open positions vacant	-23
4.	Separations	-3
5.	Sub-total	368
6.	New hires	0
7.	Positions filled as of April 30, 2014	368

The current annual turnover rate is 0.07%. 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.

I. Provider Update

We just found out that the IRS has put a levy on one of our Early Start providers in the amount of \$334,000 which means we would have to pay this amount to IRS instead of to them. This provider services nearly 200 consumers in all 3 valleys. Our community services department will be working with them, but we don't know how they'll be able to stay in business without receiving their regional center payments. We have had other providers levied by the IRS before, but never in this large of an amount.

V. Items for the Next Board Meeting Agenda

The following items were identified for the next board meeting agenda:

- A. Minutes of April 30th Meeting
- B. Financial Report for March 2014
- *C. Approval of Contracts
- *D. Approval to Pay ARCA Dues

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: Wednesday, May 28th, at 6:00 p.m.

VII. Executive Session

M/S/C (C. Girard/D. Newman) To go into executive session at 7:07 p.m.

A. Quarterly Legal Update

VIII. Adjournment

Meredith adjourned the meeting at 7:42 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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