

North Los Angeles County Regional Center  
**Administrative Affairs Committee Meeting Minutes**  
February 24, 2016

**Present:** Debra Newman and Lou Paparozzi – Committee Members  
Ken Lane – Vendor Advisory Committee Representative  
Roger Bulosan – Lautze & Lautze  
Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens  
– Staff Members

**Absent:** Dan Becerra, Dorothy Daniels, and Jenean Glover

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**I. Call to Order & Introductions**

Debra called the meeting to order, in Dan’s absence, at 6:13 p.m. Introductions were made.

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

**III. Consent Items**

- A. Approval of Revised Agenda
- B. Approval of Minutes from January 27<sup>th</sup> Meeting

The agenda and minutes could not be approved as a majority of committee members were not present.

**IV. Committee Business**

- A. Presentation of IRS Form 990

The center files 3 different tax returns: the federal 990, the state 199, and the state attorney general RRF-1. These tax forms cover the period July 1, 2014 to June 30, 2015. Copies of these completed forms were provided to the committee and Mr. Bulosan reviewed them with the committee members present. Tony Arrow, from Lautze & Lautze, will be presenting the forms to the Board of Trustees, for their review and approval, at the March 9<sup>th</sup> board meeting.

- B. Financial Report

For this fiscal year, the center’s operations budget is currently \$40,194,737 with no projected surplus or deficit. The purchase of service (POS) budget is \$324,916,385 with a projected deficit of \$19,130,605 (in the worst case). The

second page of the financial report shows the center's administrative operating costs vs. the direct operating costs for the current month and year to date. Year to date, the center's operating costs are at 12.9%, which is under the 15% cost cap.

1. FY 2013-14 E-7 Amendment/Cash Flow/Holwick: Kim reported that we received our E-7 allocation today and provided a summary of what the allocation included.

Kim added that the Department of Developmental Services (DDS) is looking for surplus dollars from regional center POS budgets from FY 2013-14 to help cover their shortfall. NLACRC had additional funds, but earmarked them for the center's move to the Oakdale property later this year. Kim is putting those funds into a non-interest bearing escrow account in the interim.

2. 2<sup>nd</sup> Quarter Financial Graphs:

The graphs show how the center's POS deficit changed for the first 2 quarters of FY 2015-16 in the best case and worst case. There was no deficit reflected in the first quarter because we had not yet completed our Sufficiency of Allocation Report (SOAR). Starting in October 2015, we began to report a deficit between \$14.7 and \$19.4 million. At the end of the 2<sup>nd</sup> quarter (December 30<sup>th</sup>), the POS deficit was ranging between \$15.1 and \$19.6 million.

#### C. ARCA Purchase of Service (POS) Expenditure Report

According to the most recent report, dated February 10<sup>th</sup>, 15 of the 21 regional centers are projecting a POS deficit for this fiscal year which collectively ranges between \$49.4 and \$85 million. This report also shows where each regional center is in relation to one another's POS budgets in the following categories:

1. Projected POS deficit: NLACRC is 1<sup>st</sup>
2. Per capita by allocation: NLACRC is 12<sup>th</sup>
3. Per capita by expenditures: NLACRC is 12<sup>th</sup>
4. Percent deficit to contract: NLACRC is 2<sup>nd</sup>
5. Percent change to original SOAR: NLACRC is 18<sup>th</sup>

#### D. Late Bill Report

The late bills are currently running at about 18.43% which is not unusual.

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

By fiscal year, the amount of cash disbursed by NLACRC but not reimbursed by ICF providers is:

1. FY 2015-16: \$1,879,734
  2. FY 2014-15: \$ 22,263
  3. FY 2013-14: \$ 26,018
  4. FY 2012-13: \$ 3,543
- Total: \$1,931,558

F. Summary of Contracts Approved

The Board of Trustees had authorized officers of NLACRC to execute contracts that were for the purpose of increasing provider rates due to minimum wage, paid sick leave, and the 5.82% increase to comply with changes to the Fair Labors Standards Act. Kim provided the committee with a list of the contracts that had been executed, for the above purposes, over the past month.

Kim added that the City and County minimum wage increases will go into effect July 1, 2016; DDS has told us that they will provide us with information on how to process these minimum wage increases for our providers sometime in April.

G. Human Resources Report

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

1.	FY 2015-16 authorized positions	447
2.	Open positions on hold	-1
3.	Open positions vacant	-36
4.	Separations	-1
5.	Sub-total	409
6.	New hires	2
7.	Positions filled	411

The current annual turnover rate is 0.02%. Michele added that there is a lot of action that is now shown on the report, including that we will have 6 new staff starting on March 1<sup>st</sup> and 2 more already scheduled to start on April 1<sup>st</sup>. We have also had a lot of internal promotions and transfers.

H. Monthly Report on the Oakdale Move

An assessment is being made on whether it would be more cost-effective to break down and move our current cubicles (labor and time) or just to purchase new ones. By the end of this month, we will have secured our builders insurance. In March, walls in the new building will begin coming down so we will have a “clean slate” to work with. We will be moving into the building in phases, starting with our Information/Technology department as they will need to set up computers and telephones before staff can begin to move in. In late March/early April, we will be establishing a relocation committee who will help with the move’s coordination and planning.

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

The following items were identified for the committee’s section of the March 9<sup>th</sup> board meeting agenda:

- A. Presentation & Acceptance of IRS Form 990
- B. Minutes of February 24<sup>th</sup> Meeting
- C. Financial Report
- D. 2<sup>nd</sup> Quarter Financial Graphs
- E. Summary of Contracts Approved

VI. **Announcements/Information/Public Input**

- A. Next Meeting: Wednesday, March 30<sup>th</sup>, at 6:00 p.m.

VII. **Executive Session**

The committee went into executive session at 7:10 p.m.

- A. Santa Clarita Office Lease Proposal
- B. Legal Update

VIII. **Adjournment**

Debra adjourned the meeting at 7:33 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

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