

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

May 25, 2016

Present: Dan Becerra, Craig Girard, Jenean Glover (all 3 via teleconference), Debra Newman, and Lou Paparozzi – 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

Lou called the meeting to order, on behalf of Dan, at 6:02 p.m.

II. Public Input

Ken provided everyone with some fabulous pens from The Adult Skills Center (TASC)!

III. Consent Items

A. Approval of Revised Agenda

An executive session was added to the agenda to discuss a lease.

M/S/C (D. Becerra/D. Newman) To approve the agenda as modified.

B. Approval of Minutes from April 27th Meeting

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

IV. Committee Business

A. Financial Report

The center's operations budget is currently \$40,939,560 with no project surplus or deficit. The purchase of service (POS) budget is \$328,693,405 with a projected deficit of \$11,658,561 (in the worst case). Year to date, the center's operating costs are at 13.2%, which is under the 15% cost cap.

1. Status of Cash Flow/Credit Line: We don't anticipate having to borrow funds at this point to get us through the end of the fiscal year. Although if our cash advances from the Department of Developmental Services (DDS) are late, we may have to borrow for a couple of days until they arrive. We are preparing credit line documents just in case and they can be executed at the June 8th board meeting. The credit line documents will include a \$30 million per month along with a \$58 million bridge loan; the interest amount would be 2.5%.

M/S/C (D. Becerra/C. Girard) To recommend to the Board of Trustees to authorize the credit line documents.

2. FY 2016-17 Preliminary Allocation: We will receive about 80% of our funding in July and receive the rest in August. The documentation from DDS shows that our preliminary allocation will be \$301,759,164.

B. Contracts

1. Contracts for Review and Recommendation

- a. Explore Freedom Services, Inc.
- b. Aacres CA, LLC (PL1472)
- c. Aacres CA, LLC (IP1516-3)
- d. Creative Minds ADP, Inc.

M/S/C (D. Newman/C. Girard) To recommend to the Executive Committee to approve these 4 contracts, as presented, on behalf of the Board of Trustees.

- e. Partners for Potential, Inc.
- f. Supported and Independent Living Services Los Angeles, Inc.
- g. ICAN-B (PL1522)
- h. ICAN-B (PL1523)
- i. The Adult Skills Center

M/S/C (D. Becerra/D. Newman) To recommend to the Board of Trustees to approve these 5 contracts, as presented.

2. Contracts – Other

- a. Contracts Executed for 5.82% Rate Increase
- b. Contracts Executed for AB1522 (Sick Leave)
- c. Contracts Executed for Minimum Wage

Kim provided the committee with a list of contracts that have been executed since last month's Administrative Affairs Committee, 12 contracts total.

C. Review NLACRC's Contract with DDS

This agenda item was deferred as we have not received our contract from DDS as yet, although it is expected to arrive soon.

D. Authorize an Officer to Secure FY 2016-17 Insurance in June

A resolution was presented.

M/S/C (D. Newman/J. Sunderland) To approve the resolution as presented.

E. Review and Approve Critical Calendar for FY 2016-17

Copies of the committee's draft critical calendar for next fiscal year were presented. No changes were suggested so it is essentially the same calendar that was used for this fiscal year.

M/S/C (C. Girard/J. Glover) To approve the committee's critical calendar for next fiscal year, as presented.

F. ARCA Purchase of Service (POS) Expenditure Report

According to the most recent report, dated May 10th, only 4 of the 21 regional centers are projecting a potential POS deficit for this fiscal year which collectively totals just under \$2 million (in the worst case). 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 1st
- 2. Per capita by allocation: NLACRC is 13th
- 3. Per capita by expenditures: NLACRC is 12th

4. Percent deficit to contract: NLACRC is 1st
5. Percent change to original SOAR: NLACRC is 13th

G. Late Bill Report / Continuation of Late Bill Report

Kim explained that the late bill report was originally brought to this committee because at one time our late bills were significant. Since that time, we have changed and streamlined our process so the number of late bills is no longer significant. As such, Kim asked the committee if they felt that the monthly late bill report was still needed.

Action: The late bill report will no longer be a separate agenda item for this committee; instead it will be attached to the financial report for the committee's information.

H. 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: \$2,625,992
 2. FY 2014-15: \$ 23,269
 3. FY 2013-14: \$ 26,018
 4. FY 2012-13: \$ 3,543
- Total: \$2,678,822

I. Monthly Report on the Oakdale Move

We are going to be moving in 2 phases rather than 4. The staff who will occupy the 3rd and 4th floors of the new building are scheduled to be moved on Friday, September 16th; the staff who will occupy the 1st and 2nd floors of the new building are scheduled to be moved on Friday, September 30th. Also, as our Information/Technology (I/T) department will be moved as part of phase 1, so the center's I/T system is scheduled to be moved over the weekend of August 19th and will be completely shut down that weekend with no access to computers, e-mail, etc. To prepare for the move, directors are currently working with their supervisors to identify where each staff member will be stationed in order to plan for computers, phones, and the physical move. The demolition phase of the

building has been completed and the new construction is underway. We are on schedule for the relocation.

Action: The first board meeting at the new location will be held in November. The board will be offered a tour of the new offices prior to the November board meeting.

J. Monthly Human Resources Report

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

1.	FY 2015-16 authorized positions	449
2.	Open positions on hold	-1
3.	Open positions vacant	-37
4.	Separations	-4
5.	Sub-total	407
6.	New hires	5
7.	Positions filled	412

The current turnover rate is 0.08%. Michele reported that we are streamlining our recruitment process to expedite the amount of hiring that needs to be done. This new process was shared with the management team yesterday. We are also hiring temporary staff to help us out in the meantime.

1. Breakdowns of Promotions and Transfers:

Per the committee's request, Michele provided information about the center's promotions and transfers that took place in May. The center had 2 promotions and 1 lateral transfer. Also, so far we will have 4 promotions take place next month!

K. Change in CPA Firm

On Tuesday, May 24, 2016, Kim was notified by Roger Boluson of Lautze & Lautze that Lautze & Lautze would be merging with Marcum Financial Services,

LLC effective June 1, 2016. Currently, Lautze & Lautze has 9 partners who are all nearing retirement age. The Lautze & Lautze partners did not want to displace their current employees as each of the partners retired. As such, a decision was made to merge with Marcum Financial Services. Marcum Financial Services is a nationwide company with 160 partners, and headquarters in many major American cities, such as New York and San Francisco. Marcum Financial Services provides a wide array of services in include tax and business, real estate, assurances, alternative investments, business performance advisory, economic damages, forensic sciences, and bankruptcy and insolvency. Roger reported that all Lautze & Lautze employees were offered employment by Marcum Financial Services; the center would continue to have Roger Bulosan and Tony Arrow on the audit team that would be overseeing the center's FY 2015-16 independent financial audit and tax returns; and that Marcum Financial Services would continue to honor the rate established in the Lautze & Lautze agreement for the preparation of the center's FY 2015-16 independent financial audit and tax returns. Since Lautze & Lautze will no longer exist on June 1, 2016, due to the merger with Marcum Financial Services, typically NLACRC would conduct a request for proposal (RFP) process to select a new CPA audit firm. Kim explained that the RFP process typically takes about 6-7 months and that the center would be starting the process in August since FY 2015-16 was the last year to be audited under the current Lautze & Lautze contract. Given that a RFP to select a new CPA firm to prepare the center's FY 2015-16 independent financial audit and tax returns was not feasible due to the time constraints, the committee was asked to recommend to the Board of Trustees to enter into a contract with Marcum Financial Services for the center's FY 2015-16 independent financial audit and tax returns.

M/S/C (J. Glover/D. Newman) To recommend to the Board of Trustees to approve entering into a contract with Marcum Financial Services.

V. Items for the Next Board Meeting

The following items were identified for the committee's section of the June 8th board meeting agenda:

- A. Minutes of the May 25th Meeting
- B. Financial Report
- C. Authorize an Officer to Secure FY 2016-17 Insurance in June
- D. Approval of Contracts
- E. Approval of Credit Line Documents
- F. Approval of Contract with Marcum Financial Services

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, July 27th, at 6:15 p.m. (no June meeting)

VII. Executive Session

- B. Lease

M/S/C (D. Newman/J. Glover) To go into executive session at 7:03 p.m.

VII. Adjournment

Lou adjourned the meeting at 7:06 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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