

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
February 27, 2019

Present: Dan Becerra, Elena Burnett, Lillian Martinez, Meagan Miller, Debra Newman, and Lou Paparozzi – Committee Members
Tom Huey – Partner with Windes, Inc.
Ruth Janka, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, George Stevens, and Jesse Weller – Staff Members

Absent: All present

I. Call to Order & Introductions

Debra called the meeting to order at 6:05 p.m. and introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Revised Agenda

Item IV.J. was added to the agenda.

M/S/C (L. Paparozzi/M. Miller) To approve the revised agenda as modified.

B. Approval of Minutes from the January 30th Meeting

M/S/C (E. Burnett/M. Miller; Abstention: L. Paparozzi) To approve the minutes as presented.

IV. Committee Business

A. Review Annual CPA Audited Financial Statement

Kim introduced Tom Huey, a partner with Windes, Inc. who provided copies of the center's FY 2017-18 audited financial statement and reviewed them with the committee page-by-page. The center had an excellent audit with no audit findings or management letter. After the review, staff left the room to give the committee members the opportunity to speak freely with Mr. Huey.

M/S/C (L. Paparozzi/D. Newman) To present the audited financial statement to the Board of Trustees for their review and acceptance.

B. 2nd Quarter Report on US Bank Transactions (PRMT)

During the 2nd quarter of this fiscal year, the center paid \$7,561 in ongoing fees and \$18,961 in investment management fees for a total of \$26,552. Attached to the report was an explanation of the trust fees and how the fees are calculated by the bank.

C. Financial Report

The January 2019 financial report showed that the center's operations budget for FY 2018-19 was \$51,763,100 the purchase of service (POS) budget was \$430,395,747, and the family resource center budget was \$207,187, for a total budget of \$482,366,034 at this point. The administrative expenses were at 13.2%, year to date, which is under the required 15% cost cap.

1. FY 2016-17 Update

- a. FY 2016-17 Regular POS Funds: The Department of Developmental Services (DDS) is in the process of closing out the FY 2016-17 contract year. DDS contacted NLACRC about deallocating \$4.3 million of regular POS funds from NLACRC's FY2016-2017 contract in order to reallocate regular POS funding to other regional centers reporting a POS deficit during FY2016-2017. NLACRC reviewed its year-to-date POS expenditures for FY2016-2017 and outstanding POS late bills for FY2016-2017 and determined that there was \$4.3 million of available FY2016-2017 POS funds that could be deallocated and reverted back to DDS. Given this information, NLACRC anticipates that DDS will deallocate \$4.3 million of FY2016-2017 regular POS funds from NLACRC's contract in the next contract amendment.
- b. FY 2016-17 Community Placement Plan (CPP): During FY 2016-17, there were 6 CPP projects that will not complete all of their milestones prior to when DDS will be closing the FY 2016-17 contract year. DDS has informed us that we should submit an "estimated CPP claim" to them for payment. DDS will process payment to the center based on the estimated CPP claim. However, the center will need to produce documentation that demonstrates payment of the milestones by June 1, 2019 or the center will need to reimburse DDS any portion of the DDS payment that had not actually been disbursed to service providers.

- c. FY 2016-17 Home and Community-Based Services (HCBS) Compliance Projects: During FY 2016-17, there were 2 HCBS projects that will not complete all of their milestones prior to when DDS will be closing the FY 2016-17 contract year. The center has reached out to DDS to determine if the center should submit an “estimated HCBS claim” to DDS for payment.

2. ARCA Regional Center POS Expenditure Projection Report:

Copies of the February 10th reports were provided. According to the report, 17 of the 21 regional centers are projecting a potential POS deficit for this fiscal year, while the other 4 centers are projecting POS surpluses. NLACRC is number 1 with the highest projected POS deficit. The total statewide POS deficit range is between \$42 million and \$70.2 million.

D. Contract for Review and Recommendation

1. Draft Service Provider Agreement for an Enhanced Behavioral Support Home (EBSH) – Elwyn

M/S/C (L. Paparozzi/D. Newman) To approve the draft service provider agreement with Elwyn, as presented, on behalf of the Board of Trustees.

E. Executed Contracts by NLACRC

- a. Office Expansion: One contract was executed since January 30, 2019: Pinnacle Networking Services for cabling and audio-visual services in the amount of \$150,515.60.
- b. Minimum Wage Increases – *No Report*
- c. Contract Renewals – *No Report*

F. 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 2018-19: \$2,096,246
2. FY 2017-18: 65,483
3. FY 2016-17: 347,359
4. FY 2015-16: 19,503
\$2,528,591

This total is \$381,999 less than what was reported at the last committee meeting.

G. City National Bank Economic Update

Once a year, City National Bank sends a letter to their most important clients about the economy in the year ahead and regarding City National Bank. Additionally, City National Bank reported that effective February 1, 2019, Kelly Coffey became their CEO. Copies of this year's letter, dated February 1, 2019, were provided to the committee for their information.

H. Travel Reimbursement Policy Update

Kim reported that one board member suggested that the center continue to pursue insurance coverage for board members when they commute to/from board meetings/events. Kim reported that the "going and coming" rule excludes liability for an employer if an auto accident occurs when commuting. Further, the center is unable to secure insurance coverage during the time when a board member is commuting to/from board meetings/events. For this reason, the committee was asked if board members should provide proof of auto insurance and a valid driver's license to ensure there was insurance coverage for the board member in the unlikely event of an auto accident. The committee, as a whole, agreed that because the risk was so low, board members should not be required to provide proof of their current auto insurance coverage or a copy of their current driver's license to the center.

I. Human Resources Monthly Report

Michele provided the committee with copies of the summary and reviewed it with the committee. The summary included the following information:

1.	FY 2018-19 authorized positions	554
2.	Open positions on hold	-2
3.	Open positions vacant	-34
4.	Separations	-6
5.	Sub-total	512
6.	New hires	24
7.	Positions filled	536

The center has hired 44 service coordinators since January 1st!

J. DDS 4731 Proposal Approval Letter

DDS approved the center's 4731 proposal to add an officer of the day and floater positions. These new positions will be able to be counted in our caseload ratio figures. Copies of the approval letter were provided to the committee.

V. Items for the Next Board Meeting

The following items were identified for the committee's section of the March 13th board meeting agenda:

- A. Presentation and Acceptance of Annual CPA Audited Financial Statement
- B. Minutes of the February 27th Meeting
- C. Financial Report

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, March 27th, at 6:00 p.m.

VII. Executive Session

- A. Lease Update

M/S/C (D. Newman/M. Miller) To go into executive session at 7:32 p.m.

VIII. Adjournment

Debra adjourned the meeting at 7:43 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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