

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
February 26, 2020

Present: Manu Alfaro, Anna Hamilton, Lillian Martinez, and Debra Newman– Committee Members
Kevin Shields – VAC Representative
Tom Huey and Annabella Morales - Guest
Ruth Janka, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and Jesse Weller – Staff Members

Absent: Elena Burnett

I. Call to Order & Introductions

Manu called the meeting to order at 6:00 p.m.

II. Public Input

Debra Newman announced that ARCA’s first board training, the ARCA Academy, was held last Saturday and was such a great success that they are looking forward to hosting another one next year. Tom Huey added that he heard good reports about the training from the Central Valley Regional Center board members!

III. Consent Items

A. Approval of Revised Agenda

Several items were added to the agenda.

M/S/C (A. Hamilton/D. Newman) To approve the revised agenda as modified.

B. Approval of Minutes from the January 29th Meeting

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

IV. Committee Business

A. Annual CPA Audited Financial Statement

Kim introduced Tom Huey, auditor and partner with Windes, Inc., who provided copies of the center’s FY 2018-19 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. Martinez/D. Newman) To present the audited financial statement to the Board of Trustees for their review and acceptance.

B. FY 2019-20 Financial Report

The January 2020 financial report showed that the center's operations budget for FY 2019-20 was \$55,978,293 and the purchase of service (POS) budget was \$498,946,326 for a total budget of \$554,924,619. We are projecting a deficit in our POS budget of \$3,076,189, which will be resolved by future allocations from the Department of Developmental Services (DDS). Our administrative operating expenses are 14.8% year to date, which is less than the 15% cost cap.

1. Statewide Regional Center POS Expenditure Projection Report: Copies of the February 10th reports were provided. According to the report, 10 of the 21 regional centers are projecting a potential POS deficit for this fiscal year (including NLACRC), while the other 11 centers are projecting POS surpluses. In each chart, NLACRC is pretty much in the middle of the pack. Statewide, the regional center system is projecting a POS surplus of \$1,721,279.

C. Approval of Contracts

1. Security Benefit
2. Angel Care In Home Help (HL0900-862)
3. United Cerebral Palsy of L.A. & Ventura (PL1731-055)
4. United Cerebral Palsy of L.A. & Ventura (PL1851-062)
5. United Cerebral Palsy of L.A. & Ventura (PL1849-094)

M/S/C (L. Martinez/D. Newman) To recommend to the Board of Trustees to approve the 5 contracts listed above, as presented.

D. Executed Contracts by NLACRC (Health & Safety Exemptions)

Two health and safety exemption contract amendments were made since last month's report.

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 2019-20:	\$3,246,440
2.	FY 2018-19:	179,740
3.	FY 2017-18:	5,213
4.	FY 2016-17:	5,079
5.	FY 2015-16:	<u>0</u>
		\$3,436,472

The total amount is \$194,527 **more** than what was reported last month. However, we can now close out FY 2015-16 because we have collected all of the monies due for that fiscal year.

F. Lease Updates

1. Santa Clarita Valley Office: Our lease for this office terminates on May 31, 2021, however we are required to give our landlord notice of any needed changes by June 2020. Kim has scheduled time with Brian Davis of Cresa to conduct a market survey for office space in the Santa Clarita Valley. More information to come.
2. Antelope Valley Office: NLACRC's lease provides that we receive 2 months of rent abatement of NLACRC's choosing. The lease provides that the first month of rent abatement shall occur between July 1, 2019 and June 30, 2020; and the second month of rent abatement shall occur between July 1, 2020 and May 31, 2020. Additionally, our lease provides that NLACRC provide our landlord 30- day advance notice of NLACRC's intent to apply the rent abatement. Kim contacted our landlord to inform him of NLACRC's intent to take the first month of rent abatement in June 2020 and the second month of rent abatement in September 2020. During the phone call to discuss NLACRC's plan to take rent abatement, our landlord expressed concerns that NLACRC was receiving an unfair benefit since NLACRC had terminated the lease 8 months early. Further, our landlord requested consideration due to the fact he had agreed to extend our option to terminate the lease twice, when he did not have to concede to such terms. Further, our landlord expressed concerns about how the 4th amendment to the lease was negotiated and implied that NLACRC had not negotiated in good faith and indicated that he may not want to support NLACRC in the event our new office building was not ready for occupancy by October 1, 2020. After careful consideration, we

agreed to negotiate rent abatement over 52 months rather than 60 months since NLACRC terminated the lease early. The projected fiscal impact was approximately \$5,700; however, this concession will allow NLACRC to maintain the relationship with our current landlord in the event we need to lease our existing space after October 1, 2020, due to unforeseen delays in the buildout of our new office building.

G. IRS Compliance

We received a notice from the IRS of a compliance review of our NLACRC's CalPERS 457 Plan. Our attorney will be responding to the IRS on the center's behalf and we do not anticipate any further action will be taken by the IRS at this time.

H. Audit: Disability Rights California

On April 13, 2018, the Strengthening Protections for Social Security Benefits Act of 2018 (H.R. 4547) was signed into law by the President. The law directs Disability Rights California (formerly known as Protection and Advocacy) to conduct periodic onsite reviews along with additional discretionary reviews of representative payees. Disability Rights California has notified NLACRC of its plan to audit NLACRC and the audit is scheduled to begin the week beginning April 6, 2020.

I. Monthly Human Resources Report

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

FY 2019-20 authorized positions	565
Open positions on hold	-1
Open positions vacant	-34
Separations	-6
Sub-total	524
New hires	+6
Positions filled	530

1. Details about Reasons for Employee Separations: The quarterly human resources report, which does not provide much detail, was provided at the last board meeting. Some questions were raised by new board members about reasons for employee separations. Due to confidentiality reasons, separations are identified by the following terms: other; personal;

education; relocation; and retirement. After discussion, the following action was taken:

Action: Michele will email the monthly human resources report to the Board of Trustees (because it contains much more detailed information) and ask them if it answers their questions and solicit feedback as to what other information they would like to see as it relates to this report.

2. FY 2020-21 Staffing Plan: The center plans to begin hiring for 20 new positions for next fiscal year, including 8 service coordinators, for a total of 585 authorized positions.

V. Items for the Next Board Meeting

The following items were identified for the committee's section of the March 11th board meeting:

- A. Minutes of the February 26th Meeting
- B. FY 2019-20 Financial Report
- C. Approval of Contracts

VI. Executive Session (Personnel Issue)

M/S/C (A. Hamilton/L. Martinez) To go into executive session at 7:31 p.m.

VII. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, March 25th, at 6:00 p.m.

VII. Adjournment

Manu adjourned the meeting at 8:10 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

