

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

September 28, 2023

Present: Brian Gatus, Ana Quiles, Andrew Ramirez, Leticia Garcia, Victoria Berrey, Andrea Devers
– **Committee Members**

Parita Burmee, Ruth Janka, Monike Paz, Liliana Windover, Vini Montague, Malorie Lanthier, Cristina Preuss, Evelyn McOmie – **Staff Members**

Tim DePriest, Kimberly Visokey, David Coe, Minutes Services – **Guests**

Absent:

I. Call to Order & Introductions

Brian Gatus called the meeting to order at 6:00 pm.

II. Public Input

No public input.

III. Consent Items

A. Approval of Agenda

M/S/C (A. Quiles/L. Garcia) To approve the Agenda.

B. Approval of Minutes of the July 27th, 2023 Meeting

M/S/C (A. Quiles/L. Garcia) To approve the Meeting Minutes as presented.

Vi. Committee Business

A. Review Center's Insurance Coverage for FY2023-24

Tim DePriest, Managing Director of Gallagher, presented the Insurance Coverage Summary. NLACRC coverage included Liability for General/Professional, Automobile, Directors and officers, and umbrella items. General/Professional covers damages, misconduct, or abuse for up to \$1 million per claim and additional coverage for up to \$4 million for a \$3 million annual aggregate. Defense costs would be paid in addition to the limits of Liability without a cap through NIAC (Non-profit Insurance Alliance of California). Automobile protects the agency from being sued if an employee is in a car accident or harms someone else for up to \$1 million with additional coverage and defense costs coverage.

Ana Quiles noted that NLACRC was considering having a volunteer program in North LA,

and she asked if volunteers could be covered as they assisted with community engagement. Tim DePriest stated that the liability insurance was set up to cover the entity, all of the employees, and all of the volunteers. He noted for Board interaction; there was specific coverage under the Directors & Officers Liability to cover decisions made (or not made) that lead to a claim about business operations as well as employee discrimination, harassment, failure to promote, wrongful termination, etc.

Leticia Garcia asked if they could attain coverage for facilitators in the Self Determination Program, as many of them could not afford the insurance, and it would burden them from joining. Tim DePriest stated that since the facilitators were independent contractors, there was no coverage, and very few organizations would cover that position. He offered to follow up with NIAC, as they may be able to provide that coverage. Ruth Janka suggested that the entities could fund their insurance as a group. Leticia Garcia suggested the independent facilitators could come together for group insurance as well.

Action Item: Gallagher will review options for facilitator insurance through NIAC.

Tim DePriest stated that every year, they discuss renewal to determine what changes to make to the insurance limits based on locations open, moving status, furniture, equipment, etc. Liability is benchmarked based on the organization's size and location. Benchmarking is done on an annual basis. This last year, Gallagher met with over 30 insurance companies to find the most competitive pricing. He continued with insurance coverage for Property, which was almost \$36 million through Great Americans, as it had the best premiums. Excessive Crime covers employee theft, forgery, theft of money, computer fraud, etc. Non-profits and Regional Centers typically have the most trouble with embezzlement as people transfer large sums over a period of time, or there is computer fraud and transfer fraud by impersonating an employee. This Liability through Great American covered up to \$4 million. So far, NLACRC has had no claims under Excessive Crime.

Ana Quiles requested to have a similar presentation before Gallagher goes out to market so they can better understand what the Board is looking for. Tim DePriest stated that they can present at any time. Typically, they go to market in July, but before then, they host a pre-renewal meeting to discuss market conditions and trends, new coverage, benchmarking, and upcoming projects. If there were ever any changes, he suggested that NLACRC reach out to Gallagher to inform them.

Brian Gatus agreed that a meeting should be added, potentially to the Critical Calendar. He then asked if the deductible under excess Crime had to be met before the insurance kicked in. Tim DePriest stated they would have to meet the deductible of \$500,000, but only \$1,000 would come from their accounts, as they had legal coverage under the umbrella area.

Tim DePriest then stated that NLACRC had Earthquake and Flood coverage for up to \$5 million for all of their locations. Due to the insurance's capacity to devote funds to any particular geography, this insurance coverage had a high premium, and the deductible was 5% of the total insurance value, making it a \$1.9 million deductible. Larger organizations typically have this insurance, but many non-profits do not due to the cost. They have earthquake/flood coverage for a \$5 million limit for all the locations. The premium is expensive. Vini Montague stated that NLACRC leases three office spaces, so the landlords were responsible for the structure, and NLACRC was responsible for any improvements.

Tim DePriest then presented Fiduciary Liability, Cyber Liability, Employed Lawyers Professional Liability, and Workers' Compensation. Those who are considered fiduciaries are considered personally liable under the law so that Board members can be sued individually. Tim Depriest stated he had never seen a fiduciary claim against a Non-profit. Cyber Liability covers would cover network extortion, data breaches, data misplacement, loss of income, and public relations for up to \$1 million each. In the last 2.5 years, 99% of cases under Cyber Liability were network extortion, meaning hackers hold your system hostage and threaten to release the information or delete the information.

Brian Gatus asked how NLACRC compared to other Non-profits. Tim DePriest stated many factors went into benchmarking. A lot of NLACRC's revenue is passthrough, but insurance companies rate premiums based on the full amount of revenue not discounted for passthrough, and past claims made deductibles higher. Health care is a field that is often targeted by cyber-attacks, as they have access to online medical records, though the insurance carriers well-vetted NLACRC for its precautions.

Tim DePriest then explained that Employed Lawyers Professional Liability covers lawyer advice, guidance, and service. Workers' Compensation Liability was 15% to 20% lower than in previous years as NLACRC was in a self-insured group program that decreased costs due to smaller operations in the firm and more aggressive closing claims.

Tim DePriest presented their premium history from the last five years of renewals by insurance type. Insurance had increased because revenues increased by 37%, the number of employees increased by 4%, property coverage limits increased by 6%, industry rates increased by 5-15%, and payroll increased by 5%. The market trended up slightly, but most of the change was due to growth. Gallagher discussed with 43 different coverage carriers to find the most competitive prices.

Ana Quiles stated that employment increased by 4%, but they intended to increase recruitment, so she asked how much coverage they had or if updates would need to be made during that process. Tim DePriest stated that the number was based on the

number of employees on the day of completing the application. Rarely would a company use forecasted numbers or budgeted payroll. Vini Montague confirmed it was the number of employees on the day of completion, and for Worker's Comp, she did projections.

Ana Quiles asked why the cost of Directors' and officers' Liability had gone down. Tim DePriest stated there were many factors, but one of them was because there were fewer employees who could potentially sue.

The committee discussed when to schedule an insurance meeting. Tim DePriest suggested they meet in March or earlier. It was noted that a special meeting would be held in March about 990. The committee agreed to add an insurance discussion to the Critical Calendar.

M/S/C (B. Gatus/A. Quiles) To add an insurance discussion to the Critical Calendar.

B. Approval to Authorize an Officer to Secure Worker's Compensation Insurance for Calendar Year 2024

Vini Montague stated that Worker's Comp Insurance was on a different schedule than the other insurance. Management sought a recommendation to the Board to ensure Worker's Comp coverage for the Fall of 2023 through 2024.

M/S/C (A. Quiles/ Lety) To recommend to the Board to approve worker's comp Insurance for FY 2024.

C. Region Center's Contract with DDS - deferred

D. Approval of Contracts- Vini Montague

Brian Gatus proposed that the committee read the summaries in advance so the group could make a motion and discuss more efficiently. Leticia Garcia suggested grouping the contracts, as some Board members cannot vote on certain items.

Vini Montague reviewed this information as presented in the packet. Items 1-5 were recommended for approval, Item 6 was recommended to bring to the Executive Committee, and Items 7-10 were recommended to present to the Board.

1. Peace Living PL2195-605
2. CN PL2175-707
3. Butterfly Effect PL2169-612
4. Butterfly Effect PL2170-615
5. My Valley Community Services HL1057-520

M/S/C (A. Quiles/A. Ramirez) To approve contract items 1-5.

6. Gittelson Inc. PL2212-785

M/S/C (A. Quiles/ A. Ramirez) To bring contract item 6 to the Executive Committee.

7. My Valley Community Services PL2209-076
8. Buildability PL2216-076
9. Creative Minds PL2225-076
10. The Adult Skills Center PL2223-076

M/S/C (A. Quiles/B. Gatus) To present contract items 7-10 for Board approval.

E. Executed Contracts by NLACRC

Leticia Garcia suggested removing this item from future Agendas and bringing it back when there were reports.

Action Item: Vini Montague will remove Item IV.E Executed Contracts by NLACRC from future Agendas.

F. FY 2023-2024 Financial Reports – Vini Montague

1. FY2023-2024 Financial Report July 2023
 - Preliminary Contract with DDS - \$59,320,581
 - Monthly Expenditures - \$3,093,917
 - Total Budget - \$662,189,214
 - Total Expenditures - \$55,919,773
 - Projected Annual Expenditures - \$662,189,214

Leticia asked if they could present for two months. Vini Montague stated the calculations are lagging by one month, so they can only present one at a time.

2. FY2023-2024 Admin Vs. Direct Allocation Report
 - YTD Administrative costs were 14.1%, which was below the maximum of 15%.
3. FY2023-2024 Board Budget vs Expenditure Report
 - This was moved from the Executive Committee to Administrative Affairs at their last meeting. Board Expenditures YTD was \$4,327.
4. Social Recreation, Camp & Non-Medical Therapies Services Report
 - Vini Montague stated that changes were being made to fix the issues with the process. Brian Gatus stated timing was important and thanked staff for addressing this item.

Ana Quiles stated this was a long-standing issue. She asked for a timeline to get everything in place. She stated the tracking process and expediting payment to consumers were both crucial but getting money back to families in a timely manner

was a priority. Evelyn McOmie stated there was a system in place to get families reimbursed in 30 days to address that issue; however, the system had its bottlenecks that they had tracked and would implement changes in the new program, which would be finalized by December 4. Discussions with Community Services and Case Management were held to identify issues and streamline the process. Case Management follows up on any forms that are having issues processing until the new protocol can be put in place.

Ana Quiles asked what they could tell the families in the meantime besides suggesting they wait until December. Evelyn McOmie stated that for now, they would return to the original process of having Community Center staff provide direct support with documentation completion. A temp would be hired in the next two weeks to help carry the caseload. Time is still needed to get that support in place before telling families. While this was a temporary solution, the new protocol would begin on December 4, which would include the reporting mechanism and tracking. Now, these processes will be housed in Community Services.

G. Quarterly Fees Reports for PRMT and UAL – Vini Montague

1. 4th Quarter PRMT Fees Report by U.S. Bank.

Vini Montague presented the quarterly fees for FY 2023 for Post-Retirement Medical Trust and Unfunded Liability, each with itemized fees. Fees were calculated based on assets in the account, so if they went up, then so would the fees.

2. 4th Quarter UAL Fees Report by U.S. Bank & Highmark Capital

H. Human Resources Report - Parita Burmee

Parita reviewed the report as presented in the packet.

1. 1st Quarter HR Report

Positions on Hold: 74

New Hires: 38

Promotions: 12

Separations: 31

Quarterly Turnover Rate: 13.30%

Parita Burmee stated about 40% of employees offer to participate in exit interviews. Reasons for quitting included three people for retiring, 21 people for personal reasons, and seven people for others.

2. Monthly Human Resource Report

CSC Vacancies – 65

CSC Growth Positions –66

Open Other Positions – 62

Total Vacancies: 193
Recruiters – 4
On-Hold Positions – 74
Positions filled as of August 31 – 646
FY23-24 Authorized Positions – 913
% Filled – 70.76%
New Hires – 8
Separations – 15
August Turnover – 13%

Brian Gatus noted there were many positions on hold and asked if they should begin by hiring supervisors and managers. Parita Burmee noted that some people had marked a reason for leaving as lack of management. There were 193 positions posted and 74 not posted, for a total of 267 positions, including the growth positions from this year and last year.

Ana Quiles noted that there were four recruiters and only eight positions filled for the month, meaning that each recruiter only hired two people over 30 days. Parita Burmee stated one recruiter was on an LOA, so only three were working. Recruitment companies with outreach can bring in 4-6 people per month based on industry metrics from talent acquisition companies. Ana Quiles stated that it felt low to her. Parita Burmee stated that was standard based on her experience. Recruiters were aware that their goal was to hire 4-6 people per month.

Ana Quiles asked if they had participated in recruitment events. Parita Burmee stated that in the last quarter, they had attended five job fairs, two events with AJCC, and the job fair San Fernando Valley location, where about 50 people came up for an interview two weeks prior. Of those 50, 30 were moved to the next level of interviewing. In the last three months, they have attended six recruitment events. For October, they will participate in 5 job fairs with schools, colleges, and other organizations. Ana Quiles suggested not just focusing on job fairs but specifically hiring fairs to get the people they need.

Leticia Garcia stated that this was a big priority for the Board, and the committee had offered many suggestions over the last year. She stated it was disheartening and asked what they were doing internally to increase that number. Parita Burmee stated they post on social media, but they do not have a strong source structure. She stated they needed access to the profiles of candidates rather than just posting online. She suggested they could benefit from targeted marketing, recruitment initiatives, market research, recruitment marketing, and market penetration so they can reach a larger audience. Sourcing was the primary gap.

Leticia Garcia asked if they were partners with any colleges. Parita Burmee stated they were in discussion with CSUN College and considering Santa Clarita. Leticia Garcia suggested looking elsewhere, as they had not moved forward with these groups. Ruth

Janka stated they would discuss this more in the Executive Session.

Lillian Martinez stated they had been in discussion with CSUN for seven years and suggested they expand. Parita Burmee stated CSUN has a new program that may be of use, but they will also discuss it with Antelope Valley University and other schools in the vicinity. Lillian Martinez suggested going to the two-year schools and community colleges as well to spread the word. She also suggested using billboards to post jobs.

Brian Gatus stated there was a lack of infrastructure and asked what the Board could do to help. He suggested that a budget be put together that encapsulates the proposed next steps so that they can take action. The total filled positions regressed by 3, so the situation was dire. Parita Burmee agreed they need to shift their view on talent acquisition to be in a better place.

Rosie Sigala asked if NLACRC employees could refer people. Ruth Janka stated there was a system in place.

3. Temporary Staff Statistics Update

There were four temporary employees, 1 in finance and 3 in case management.

4. Temporary Staff Usage Policy

Parita Burmee stated they had put a Labor Use Policy in place to address the need for temps and establish processes and parameters to assess performance at the 90-day mark. A measure could also be added at the 120-day mark to make sure they are a good fit.

5. Ensure Personnel Policies comply with the DDS Contract.

Parita Burmee stated policies need to be in compliance with the DDS Contract. In reviewing NLACRC policies, most of them are in line with it based on a risk mitigation standpoint. However, a policy for non-violence is needed to decrease risk moving forward. A Discipline Policy and Standard of Conduct Policy were being prepared. They will continue to work with their legal counsel to ensure policies are in a good place.

Leticia Garcia noted that NLACRC had used a lot of temporary services in the past and suggested they capitalize on it again to get people to do the work. There was always the possibility that a temp could stay on permanently, but for now, they needed to fill the gaps as soon as possible. Parita Burmee stated they could bring in temporary services as a temporary strategy, and she would look into it further. Brian Gatus stated they could have temp CSTs and temp recruiters to bring on more people.

Vini Montague noted that temp work is not a separate item in the financial packet but offered to split it out. An administrative survey is sent to DDS annually, but the information could be presented to the Board as it comes in. She stated the temps could be hired for Community Service positions in the interim. She will prepare a

clerical report when needed.

I. FRC and Resource Library Update – Evelyn McOmie

1. Mobile Library Unit

Cristina Preuss stated there had been a question about using the AFFRC of a mobile library, but it belongs to CSUN. Through previous contacts, she was able to discuss with LA County Education for Hope on Wheels. A date will be scheduled for the bus to come by and give an introduction to using the bus as an inclusive classroom or for outreach activities. This method could help them reach underserved populations. The next steps include reviewing liability insurance, doing a tour, and developing an MOU for outreach events.

Action Item: Cristina will provide an update on the Mobile Library Unit.

J. Status of DDS Audit of FY2022 and FY2023

Vini Montague stated they were wrapping up the Audit. Overpayment findings were expected under Health and Safety, while there may be underpayment in other areas. There have been a lot of rate changes and minimum wage increases over the last two years. The other expected findings would be related to the Conflict-of-Interest Policy, as there were some late forms. Policies and procedures were being reviewed to make sure this problem did not reoccur. Caseload ratios and calculations may have a finding. They were still working on cleaning the bank reconciliation process, but nothing was finalized yet. Once it was cleaned up, additional documents would be sent to DDS. DDS will release a Draft Audit Report once they have completed their work, and NLACRC has 30 days to respond before the final report is released.

K. Status of FY2023 Independent Audit

Vini Montague stated the Independent Audit began the week prior and was now in process.

V. Executive Session

A. Personnel – Ruth Janka

B. Legal Update – Vini Montague

M/S/C (Lety/ Andrew) To enter the Executive Session at 7:59 pm

M/S/C (A. Quiles/A. Rodriguez) To exit the Executive Session at 8:41 pm

VII. Review of Meeting Action Items

A. Gallagher will review options for facilitator insurance through NIAC.

B. Vini will remove Item IV.E Executed Contracts by NLACRC from future Agendas.

C. Cristina will provide an update on the Mobile Library Unit.

VIII. Board Meeting Agenda Items

The following items were identified for the committee's section of the next Board Meeting Agenda:

- A. Minutes of the July 27th Meeting
- B. FY 2023-2024 Financial Report
- C. Approval of Contracts
- D. Monthly Human Resources Reports

IX. Announcements / Information Items / Public Input

- A. Next Meeting: Thursday, November 30, 2023 at 6:00 p.m.
- B. Committee Attendance

No public input

X. Adjournment

Brian Gatus, Committee Chair, adjourned the meeting at 8:44 p.m.

Submitted by:

(*) *Kimberly Visokey*

Executive Administrative Assistant

() The majority of these minutes are taken from the Minutes Service submission and reviewed/edited as presented herein by NLACRC staff.*