

FRANK D. LANTERMAN REGIONAL CENTER

Administrative Affairs Meeting

June 10, 2014

MINUTES

PRESENT

Ed Solis, Chair
Marjorie Heller
Al Marsella
Dina Richman
Greg Schaffer

STAFF

Patrick Aulicino
Barry Londer
Melinda Sullivan

NOT PRESENT

Jack Gilbertson
Chris Scali
Jim Simonds
Anthony Stein

CALL TO ORDER

Mr. Solis called the meeting to order at 12:10 P.M.

APPROVAL OF MINUTES

The minutes of May 13, 2014 were reviewed and on page 2 the amount of \$30,000,000 referencing the line of credit needs to be changed to \$33,000,000. Ms. Heller made a motion to approve the minutes pending the change mentioned above. Mr. Solis seconded the motion and it was approved by consensus.

CHAIRPERSON'S REPORT

There was nothing to report.

SELECTION OF THE CORPORATE AUDITOR

Mr. Aulicino reported that the Center sent out seven requests for proposals to firms in early May, with a deadline of May 23. Five firms responded and the proposals were reviewed by the Associate Director of Administrative Services, the Controller, and the Revenue Manager. Applicants were rated on items including the completeness of the proposal, the experience of the

firm with nonprofit organizations and regional centers, timeliness for completion, cost estimates, and references. Although all firms were fully capable, the top four rated firms have had regional center experience. The top two rated firms were Matson and Isom and Lautze & Lautze. Mr. Aulicino reported that Matson and Isom was the least expensive of the two, they have great recommendations from Far Northern Regional Center and Redwood Coast Regional Center, and they have been in business for over 50 years. Staff would like to recommend that the center engage Matson and Isom to complete the corporate audit and the tax return for 2013-14. Discussion followed.

Mr. Marsella made a recommendation for the board to engage Matson and Isom to do the tax return for 2013-2014 and audit. This was seconded by Ms. Richman and was approved by consensus.

PROPOSAL REGARDING HEALTH PREMIUM REIMBURSEMENT

Mr. Aulicino reported that in recent years, due to the fiscal crisis, the center began a practice of asking employees to pay a portion of their own health coverage. For 2013-14, we have sufficient operations funds remaining to reimburse employees for what they had paid in for 2013-14. This amounts to approximately \$360,000. Amounts paid for spouses or family members are not affected by this proposal.

Ms. Heller made a motion to recommend that the Board accept the proposal to reimburse employees for the cost of their personal health insurance payments for 2013-14. Mr. Marsella seconded the motion and it was approved by consensus.

Mr. Aulicino reported that Kaiser is increasing their rates by approximately 8.5% even after considerable negotiations with our broker. The center would like to absorb the increased costs for employee only coverage within our operations budget on a go forward basis. This will have an impact of about \$70,000 for 2014-15.

Mr. Marsella made a motion to approve that the center cover the increased costs for employees related to the Kaiser rate changes for 2014-15. Ms. Richman seconded the motion and it was approved by consensus.

BUDGET UPDATE

Mr. Aulicino reported that budget trailer bill language passed by the legislative committee's calls for Early Start to return with client eligibility criteria reverting to what was in place in 2009. This language also calls for a comprehensive study to update the core staffing formula. Mr. Aulicino stated that we received the preliminary allocation for 14-15 and that the Board is asked to authorize the President to sign the contract so that advances can begin to flow when the budget is signed.

CONTRACT AMENDMENT E-5

Mr. Aulicino reported that the E-5 contract amendment is for \$208,230 in regular POS and the Department is allocating this so that centers are able to have contract authority for their spending prior to June 30th. He explained that there will be subsequent amendments. Discussion followed.

REVIEW OF FINANCIAL STATEMENTS

Mr. Londer reviewed the financial statements through April 30, 2014.

Fiscal Year 2013-2014

In Operations (main contract) we have spent \$13,069,710. In Purchase of Services (main contract) we have spent \$89,761,043 before we add late bills. Including projected late bills, we will have spent \$91,329,673.

Fiscal Year 2012-2013

This month we recorded \$23 in OPS and (\$3,313) in POS. To date, we have spent 98.3% of our OPS and almost 100% of our POS allocations. We are currently projecting a small surplus in OPS and a small deficit in POS.

Fiscal Year 2011-2012

This month we recorded (\$1,700) in POS. To date, we have spent 99.0% of our OPS and 99.8% of our POS allocations. We are currently expecting small surpluses in both OPS and POS.

CALIFORNIA COMMUNITY FOUNDATION UPDATE

Mr. Londer reported that the corpus balance for this quarter is \$1,100,394 and the fund balance is \$1,466,971. There is a separate checking account that receives a small amount of interest. Discussion followed.

CASH FLOW

Mr. Londer reported that the cash flow projection is through the end of August and based on receiving advances, the amounts will be similar.

POS RECAP

Mr. Aulicino reported that the POS recap includes the money from the E-5 amendment. With the allocation we will receive and with projected spending, we expect a deficit of between \$700,000 and \$1,706,435. He stated that this is a low number for most centers.

NEXT MEETING

The next meeting is scheduled for August 12, 2014.

ADJOURNMENT

The meeting was adjourned at 1:20 P.M.

/gs