

**FRANK D. LANTERMAN REGIONAL CENTER**

**Administrative Affairs Meeting**

**May 13, 2014**

**MINUTES**

**PRESENT**

Ed Solis, Chair  
Jack Gilbertson  
Marjorie Heller  
Al Marsella  
Jim Simonds

**STAFF**

Patrick Aulicino  
Melinda Sullivan

**NOT PRESENT**

Greg Schaffer  
Chris Scali  
Dina Richman

**GUEST**

Anthony Stein

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

The minutes of April 8, 2014 were reviewed and approved by consensus.

**CHAIRPERSON'S REPORT**

There was nothing to report.

**REPORT FROM CITY NATIONAL BANK: LINE OF CREDIT**

Mr. Aulicino reported that the center has been working with City National Bank for over 20 years and the bank also works with a total of 6 regional centers.

Ms. Susan Welch, Senior Vice President at City National Bank briefly reviewed the bank's annual report and ratings. She also explained that the center's line of credit will have the same terms and conditions as last year, there will be no fees, and the interest rate has a prime minus 1% with a floor of 2.25%. The amount of the line is \$33,000,000 initially and a revolving line after 10/1/14 which is increased to \$16,000,000 from \$15,000,000 last year. Mr. Aulicino explained that the reason for the \$1 million increase is due to increased spending projections.

*Mr. Gilbertson made a motion to recommend to the Board that they authorize the Executive Director to sign the loan revision agreement provided that any significant changes be reviewed and approved by legal counsel prior to Board approval. Ms. Heller seconded it and it was approved by consensus.*

#### **CONTRACT AMENDMENT: E-4**

Mr. Aulicino reported that at the beginning of the year the center receives an initial allocation from DDS followed by a number of amendments throughout the year. We have currently received the 4<sup>th</sup> amendment (also known as the E-4) which allocates funds towards the POS deficit and \$4,612 towards CPP costs.

#### **EFT AND E-BILLING REPORT**

Mr. Aulicino reviewed the E-billing and Electronic Fund Transfer (EFT) summary overview that Mr. Londer had prepared. He reported that all POS providers have been required to receive electronic billing as of July 1, 2012. Exceptions to this requirement include parent vouchers or anyone demonstrating a substantial financial hardship. Our providers are in compliance and we currently are paying for over 2,300 services through e-billing.

Mr. Aulicino reported that approximately 64% of all POS transactions and 93% of all POS dollars paid are handled through EFT. Providers are not required to select EFT processing, but they are encouraged to do so. In Operations, only 13% are paid in EFTs representing 33% of all dollars paid. We continue to encourage providers to make use of the EFT process.

#### **REVIEW OF FINANCIAL STATEMENTS**

Mr. Aulicino reviewed the financial statements through March 31, 2014.

##### *Fiscal Year 2013-2014*

In Operations (main contract) we have spent \$11,808,563. In Purchase of Services (main contract) we have spent \$80,191,749 before we add late bills. Including projected late bills, we will have spent \$81,774,785.

##### *Fiscal Year 2012-2013*

This month we month we recorded \$210,249 in OPS and (\$9,089) 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 we recorded \$12,417 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.

**CASH FLOW**

Mr. Aulicino reported that based on anticipated spending, the center is good until about June 17. He will be attending a statewide meeting later this week and will find out if we will receive additional money. If there isn't additional money from DDS, the line of credit will be accessed.

**POS RECAP**

Mr. Aulicino reported that based on spending trends and the E-4 amendment; there is a projected deficit of between \$800,000 and \$2.4 million for the year.

**NEXT MEETING**

The next meeting is scheduled for June 10, 2014.

**ADJOURNMENT**

The meeting was adjourned at 1:10 P.M.

/gs