

Frank D. Lanterman Regional Center

Administrative Affairs Committee

August 9, 2016

MINUTES

PRESENT

Mark Higgins, Chair
Anila Guruji
Al Marsella
Dina Richman
Jim Simonds
Dr. Tony Stein

STAFF

Patrick Aulicino
Barry Londer

NOT PRESENT

Greg Schafer
Jack Gilbertson
Marjorie Heller

CALL TO ORDER

The meeting was called to order at 12:08 PM.

REVIEW OF MINUTES

The minutes of June 14, 2016 were reviewed. Mr. Jim Simonds' name appears twice; it should reflect that he was not present. The minutes were and approved by consensus pending the change stated above.

CHAIRPERSON'S REPORT

Mr. Higgins thanked Ms. Dina Richman for her services as chair the past two years and for staying on as a member of the committee.

ABX2-1 STAFFING PROPOSAL

Mr. Aulicino reported that funds were allocated to regional centers in the special legislative session for salary and benefit increases for existing staff. This money came in the preliminary

allocation and it is a permanent addition to regional center budgets. Centers will be required to report the use of allocated funding to the Department in March and October of 2017.

The proposal recommended by staff has three parts. First, paying the full cost for each employee's personal health care has been approved previously by the board and will account for a little over \$400,000 of the total. Second, moving the 11 staff currently on grade 3 (our lowest paid employees) to the closest step on grade 4 will allow more room for growth and the fiscal impact is about \$1,000 for the year. Third, a cost of living salary increase of 7% for all employees effective July 1, 2016 would use the bulk of the allocation. This proposal is in line with what other centers are doing.

Lastly, we are recommending providing the same COLA for the two Associate Director positions by taking funds from another source.

Mr. Marsella made a motion to recommend the proposal to the board for final approval. Dr. Stein seconded the motion and it was approved by consensus.

DRAFT INVESTMENT POLICY FOR THE ENDOWMENT FUNDS

The committee agreed to table this action until Mr. Gilbertson is present. Ms. Richman made some suggestions including:

- have consistency in language when referring to the board of directors.
- Page 2; change "recommend changes" to "make recommendations."
- Page 2; #5: change "assure" to "ensure"

These changes will be made to the draft for consideration at an upcoming meeting.

SERVICE PROVIDER RATE INCREASES FOR 2016-17

Mr. Aulicino reported that legislature granted funds for rate increases for certain providers. Details of these different rates are outlined in a document provided by DDS and Mr. Aulicino briefly reviewed this. Providers will have to show how they spent the money or else they forfeit their increase. Lastly, we will inform providers what their new rates are.

UPCOMING AUDIT ACTIVITY

Mr. Aulicino reported that K-Coe Isom will be at Lanterman next week to begin the center's annual independent audit and prepare the tax return. They will be here a week in August and a week in September.

DDS was originally scheduled to come in November or December and they asked if they could come in August. Since K-Coe will be here, we told them no. Therefore, they will be at the center in January.

REVIEW OF FINANCIAL STATEMENTS

CASH FLOW

Mr. Londer reported that we borrowed from our line of credit while we were waiting for advances. This occurred over a two day period and it was under \$2 million. Our fee was a total of \$218. We have received our last advance and we expect to receive our on-going state claims reimbursement on a monthly basis.

Mr. Londer reviewed the financial statement summary activity through June 30, 2016.

Fiscal Year 2015-2016 (B-2)

In Operations (main contract) we have spent \$17,336,114. In Purchase of Services (main contract), we have spent \$127,987,200 before we add late bills. Including late projected bills, we will have spent \$130,814,575.

Fiscal Year 2014-2015 (A-4)

This month we recorded \$267 in OPS and \$25,469 in POS. To date, we have spent 99.9% of our OPS and about \$100.9% of our POS allocations. We are currently projecting a very small surplus in OPS, and a deficit in POS, which we expect to be funded by DDS.

Fiscal Year 2013-2014

This month there was no further activity. In total, we spent 99.9% of both our OPS and POS allocations, and have therefore ended the contract period with a small surplus in each.

POS RECAP

Mr. Aulicino reported that there will be a surplus. The system is also projecting a surplus.

CALIFORNIA COMMUNITY FOUNDATION QUARTERLY UPDATE

Mr. Londer reviewed the statement of activity through June 30, 2016. The committee discussed the restricted and unrestricted funds. The committee would like to see benchmarks on a quarterly basis to see how the returns that we are generating are performing. Mr. Aulicino stated that this will be available at the next meeting.

NEXT MEETING

The next meeting is scheduled on September 13, 2016. Mr. Higgins will not be present and Ms. Dina Richman will chair in his absence.

ADJOURNMENT

The meeting was adjourned at 1:04 P.M.

/gs