LOS ANGELES COUNTY DEVELOPMENTAL SERVICES FOUNDATION, INC.

Board of Directors

May 28, 2014

MINUTES

PRESENT
Ray Lemus, Chair
Jack Glibertson
Anila Guruji
Marjorie Heller
Mark Higgins
Howard McBroom
Louis Mitchell
Brian Newkirk
John Poulos
Dina Richman
Ed Solis
Ana Villasenor
Kelly White

NOT PRESENT
Larry DeBoer
Karla Garcia-Diaz
Zulma Mena

ADVISOR TO THE BOARD
Al Marsella

GUESTS
Eileen Richey

STAFF
Diane Anand
Patrick Aulicino
Karen Ingram
Melinda Sullivan

CALL TO ORDER

Mr. Lemus called the meeting to order at 6:00 p.m.
PUBLIC INPUT

No public input.

ANNOUNCEMENTS

No announcements were made.

APPROVAL OF MINUTES

Mr. Newkirk moved to approve the minutes of April 23, 2014, Mr. Poulos seconded the motion, and it passed unanimously.

ARCA REPORT

Ms. Anand introduced Ms. Eileen Richey, Executive Director of ARCA, and advised the Board that Ms. Richey is visiting Lanterman and touring providers and programs in the Lanterman catchment area.

Ms. Richey gave a focused presentation on what ARCA does, its strategic plan, and the current budget issues statewide. The Board was given the opportunity to ask questions.

EXECUTIVE DIRECTOR’S REPORT

2013 Annual Administrative Report – Client and Family Services

Ms. Anand advised the Board that they could find the 2013 Annual Administrative Report for Client and Family Services in their board packet. Ms. Sullivan, Associate Director of Client and Family Services, gave a division overview and presented on the major challenges going forward for the division. The Board was given the opportunity to ask questions about the report and discussion followed.

The Way Forward

Ms. Anand gave the Board the same presentation that she gave at opening of The Way Forward forum. Ms. Anand presented an overview of some of the major challenges going forward for the system. The Board was given the opportunity to ask questions.

Ms. Anand reminded the Board that they approved up to $25,000 from the Lanterman Endowment Fund for speaker expenses. Ms. Anand reported that the final amount needed was only $15,571.28.
The Governor’s May Revision

A copy of the DDS May Revision Highlights was in the packet for information only. This agenda item was covered under the budget issues of the ARCA report.

EXECUTIVE COMMITTEE

Contracts Over $250,000.

Ms. Ingram reviewed with the Board the following contracts in accordance with the board approved policy for approval of contracts:

Year: FY 2013-14 CPP Residential Contracts

Amount of Start-up award/contract: 2 Contracts at $250,000 each. (To develop two homes that will serve up to 4 clients each.)

- Kimberly West-Isaac of CalWes Homes - $250,000.
- Greer Davis of Waterstone of Los Angeles - $250,000.

Ms. White moved to approve the awards to develop two homes that serve up to 4 clients each as presented, Ms. Heller seconded the motion, and it passed unanimously.

CMS Final Rule

Ms. Sullivan reported that the CMS final rule pertaining to Home and Community Based Services that applies to 1915(c) Waiver services as well as 1915(i) SPA services has gone into effect. Ms. Sullivan advised the Board that while states have some time to modify their services depending on when their next Waiver or SPA applications are due, the final rule clarifies certain details. Ms. Sullivan reported that this is new and subject to interpretation. Further guidance will be forth coming.

Caseload Ratio

Ms. Sullivan advised the Board that the Center received a letter from the Department informing the Center that as of March 1, 2014, Lanterman, did not meet the required caseload ratios for two consecutive reporting periods. As of March 2014, all regional centers are out of compliance. Lanterman is out of compliance by 27 service coordinators.
Ms. Sullivan reported that a plan of action is being prepared and will be presented at a community meeting on June 11, 2014 at Lanterman Regional Center.

History Update – Printing

Ms. Sullivan advised the Board that a proposal will be coming forward next month on the printing of the historical booklet using funds from the Lanterman Endowment Fund.

NOMINATING COMMITTEE

Slate of Officers and Directors (For Information Only)

Ms. Heller advised the Board that the Nominating Committee is presenting the Slate of Officers and Directors at this meeting for election at the Annual Meeting of the Corporation in June in accordance with the Bylaws.

Slate of Directors for Re-Election

- Anila Gruji
- Mark Higgins
- Louis Mitchell
- Brian Newkirk
- Dina Richman
- Eduardo Solis

Slate of Officers

- President - Larry DeBoer
- 1st Vice President- Ray Lemus
- Treasurer - Eduardo Solis
- Secretary - Louis Mitchell

Note: Mark Higgins will continue in the role of Immediate Past President.

ADMINISTRATIVE AFFAIRS COMMITTEE

Line Of Credit

Mr. Solis and Mr. Aulicino reported that the Center has maintained its relationship with City National Bank for over 20 years. They reported that the Committee met Ms. Susan Welch,
Senior Vice President at City National Bank and reviewed the bank’s annual report and ratings. The line of credit was discussed and it 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 $30,000,000 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.

Ms. Heller moved to recommend that the Board authorize the Executive Director to sign the loan agreement with the terms mentioned above, Ms. Richman seconded the motion, and it passed unanimously.

REVIEW OF FINANCIAL STATEMENTS

Mr. Solis reviewed the financial statements through the month of 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 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 $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. Solis advised the Board that at the current rate of reimbursements by DDS, the Center would run out of cash in mid June. The Department is working with centers to allocate out what they can to avoid any shortfalls through the end of the fiscal year. Absent sufficient reimbursement, the Center would have to draw on our line of credit, which it has not had to do so far this year.
ADJOURNMENT

The meeting was adjourned at 7:54 p.m.

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Anila Guruji, Secretary

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# BOARD OF DIRECTORS

## ACTION LOG

**May 29, 2014**

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<thead>
<tr>
<th>DESCRIPTION</th>
<th>ACTION</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>Approval of Minutes – April 23, 2014</td>
<td>•</td>
<td>Approved</td>
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<tr>
<td>Contracts Over $250,000</td>
<td>•</td>
<td>Approved</td>
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<tr>
<td>Line of Credit</td>
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