

REDWOOD COAST DEVELOPMENTAL
SERVICES CORPORATION
Regular Meeting
Board of Directors

MINUTES
FY 2011-2012 #5
Saturday, May 12, 2012
Fort Bragg, CA

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|--------------------------|------------------|------------------|---------------|
| DIRECTORS PRESENT | Brian Ward | Tara Hawkins | Mary Wheetley |
| Silas M. Morrison | Kelly Livingston | Beverly Fontaine | David Matson |
| Ernie Cocco | Claudia Boudreau | Tamera Leighton | Jason McCuan |

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| DIRECTORS ABSENT | Denise Rusk | Tyler Livingston | Pamela Jensen |
| Ana Mahoney | | | |

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| FACILITATORS PRESENT | | | |
| Jen Baumann | Patrick Cross | Wanda Henderson | Brandon Boelter |

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| STAFF PRESENT | | | |
| Clay Jones | Donna Landry-Rehling | Patrick Okey | |

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| OTHERS PRESENT | | | |
| Allan Smith | Dawn Morley | Denise Gorny | Ben Nicholson |
| Suzan Valley | Rick Moon | Kyle White | Carol White |

- 1. Call to Order/Roll Call/Introductions** - The regular meeting of the RCDSC Board of Directors was called to order by President B. Fontaine at 9:04 a.m. A quorum was present. All persons in attendance introduced themselves. T. Hawkins agreed to be today's timekeeper.
- 2. Reading of Vision** – T. Leighton and E. Cocco read aloud the Vision of the Redwood Coast Regional Center.
- 3. Community Input** –
 - B. Ward commented that he didn't think there was much Northern California representation at the recent legislative Town Hall meeting in Santa Rosa. D. Morley, Area I Board, said that the Mendocino Co. representatives did a very good job of representing client concerns.
 - Carol White noted that she is looking forward to Person Centered Thinking training that is set for June 5-6, 2012, in Ft. Bragg. She commented that she is pleased that RCRC is still invested in the concept of person centered thinking.
- 4. *Approval of Agenda**
M/S/C – T. Leighton (Cocco) moves to approve the agenda for today.
- 5. *Approval of March 17, 2012, Minutes**
M/S/C – T. Leighton (E. Cocco) moves to approve the minutes for March 17, 2012.
- 6. Executive Director's Report** – C. Jones referenced his report and offered the following comments:
 - State budget – C. Jones announced that Patrick Okey is the new Director of Administration for RCRC. He noted that RCRC does not have a clear picture of the state budget and does not expect to hear anything definitive until after the Governor's May revise. He noted that State revenues have fallen short of the expected goal, but no immediate negative impact on RCRC's service system is expected. He also

commented that there is the possibility that more counties, especially rural counties, will move into a managed care model of health care (a combination of Medicare/Medi-Cal), and that Mendocino Co. already has managed care.

- RCRC - While RCRC is in a deficit position for POS, it is expected that funding for all services should be sufficient to cover expenditures. RCRC continues to do all it can to be good stewards of its funds. In Operations, the cost saving measures have been working well. The most conservative estimate shows approximately \$76,000 to the good, even if no other allocations from the state are received.

C. Jones recommended that the Board return RCRC staff to their full time work week through the remainder of this FY (beginning May 15, and running through June 30).

M/S/C – T. Leighton (E. Cocco) moves to restore the full work week for RCRC staff for 6 weeks, ending June 30, 2012. Unanimous 'yes' vote.

- The issue of cash flow tends to occur at the end of the fiscal year. This year, multiple rounds of surveys via the ARCA have been taken. RCRC does not have cash in the bank to take the agency through June 30. It is speculated that RCRC can make it to June 14, 2012. After that, a line of credit sufficient to pay providers through the remainder of year will need to be in place. Letters have been sent to the executive director of DDS describing various scenarios. The DDS has requested that regional centers wait until after the May revise in order to give the most accurate snapshot of the budget status. **In the event a decision about obtaining a line of credit is needed before the next board meeting, an Exec. Committee/Finance Committee meeting could be called.**
- C. Jones announced that auditor, Ron Kulek, will telephone into today's meeting to explain the June 2011 audit report and to discuss the IRS Form 990 that must be filed very soon.

ACTION: The Finance Committee will meet at lunch to discuss recommendations. The full board will convene afterward to decide about how to proceed with the Form 990.

- The attachments to C. Jones' report (included in the board packet) were addressed briefly.

ACTION: C. Jones offered to provide a presentation at the July board meeting regarding RCRC's long range planning and the year end performance report.

- C. Jones offered to provide further information about AB1244, if needed.
- C. Jones offered to draft a letter thanking Dr. Otis Paul, ophthalmologist for his service to the RCRC area.
- C. Jones offered to draft a letter thanking both Drs. Goldwasser for their service to RCRC.

M/S/C – C. Boudreau (T. Hawkins) moves that C. Jones will draft letters to the three doctors that President B. Fontaine can sign on behalf of the board.

- Auditor, Ron Kulek, telephoned into the meeting to discuss the results of the June 30, 2011, audit report to the board of directors. A copy of the report was given to each board member. The results were summarized and Mr. Kulek reported that all requirements

have been met. With regard to the Financial Statements of June 30, 2011 and 2010, Mr. Kulek explained each page of the document and commented that, overall, the numbers remain consistent with previous audits. The results of this audit firm's tests disclosed no instances of noncompliance that would be required to be reported under *Government Auditing Standards*.

Due to changes in staff, Mr. Kulek recommended that the checks and balances measures at RCRC be maintained, i.e., a Controller position. Even though RCRC has doled out the duties, he noted that it is important to have separate oversight to catch any irregularities.

Regarding the Form 990, Mr. Kulek reviewed the draft Form 990 and discussed changes that were suggested by the board and staff. Prior to the filing of this document, the draft will be reviewed and revised as needed and then filed prior to the May 15, 2012, deadline.

Action: RCRC goals will be reviewed and addressed at the Saturday, July 28, 2012, board training.

7. **Administrator's Report** – P. Okey referenced the financial report that was distributed. He explained each component of the report and commented that the POS trends continue to be in the downward motion as is expected due to AB 9, and the following summary was provided:

A. RCRC's POS Budget

1. The Sufficiency of Allocation Report (SOAR) is projecting a \$6.5M deficit
2. Statewide, and as of the end of Feb. (the most current aggregated data), *ALL* Regional Centers are projecting a POS deficit, with the exception of one.
3. Total monthly POS expenditures are on a downward trend all fiscal year.
4. Total monthly POS expenditures per client are on a downward trend all fiscal year.

B. RCRC's OPS Budget

1. Projecting (without additional allocation) a surplus of \$75K to \$175K.
2. Total monthly OPS expenditures are on a downward trend since July 2010.
3. The Board of Director's OPS savings strategies are on target, having realized 74% of estimated savings at 75% of the FY (figures through March re: agency restructuring, work week reduction, early retirement, OPS contract changes and forms reform).
4. Significant additional OPS savings have been realized from numerous unplanned staff vacancies.

C. Future RCRC Allocations (NO GUARANTEE!)

1. The above POS and OPS projections are based on current allocations (through C-4).
2. Looking at our historical allocations:
 - a) Four (4) is the fewest number of allocations received per FY (3 of the last 8) – Three (3) of the last 8 FY with 5 allocations, 1 with 8 and 1 FY with 9 allocations
 - b) Four (4) of the last 8 FY allocations have been made after the close of the FY.
3. OPS – Expecting another \$100K to \$120K based on informal comments from DDS.
4. POS – Expecting to be made whole, based on informal comments from DDS.

D. RCRC Cash Flow

1. RCRC currently has over \$9M in cash on hand.
2. Based on anticipated expenditures and receipts, RCRC will run out of cash on Thursday, June 14.
3. We do have a line of credit in place with Union Bank for \$11.5M (to cover claims for which we have spending authority).

E. DDS Budget

1. The governor proposes a \$200M reduction to DDS for 2012/2013, in addition to \$100M reduction in the current FY
 2. DDS intends to realize the \$100M in current FY via new federal money and lower spending in certain areas.
 3. Work is continuing with regard to how to save the \$200M for the upcoming FY. Information is expected to be released on May 14, 2012, as part of the Governor's "May Revise".
 - a) Per Terri Delgadillo, some portion is expected to be based on extension of the current 4.25% reduction to RC's operations and service providers. Details to be provided for the May Revise.
8. **Treasurer's Report** – No further report.
9. **Executive Committee Report** – B. Fontaine reported that board member recruitment is in progress.
- **The Election Committee consists of B. Fontaine (Chair), T. Leighton, B. Ward, and J. Baumann (ballot counting).**
 - Friday, July 27, 2012, is the annual RCDSC board (business) meeting. Saturday, July 28, 2012, is the annual board training. Training topics will include long range planning/goals; board member role and obligations with, hopefully, Deborah Pruitt, and possibly a review of the service provider satisfaction survey that was repeated this year.

ACTION: J. McCuan volunteered to chair the Consumer Benefit Fund Committee. S. Morrison volunteered to serve on the committee, as well.

ACTION: D. Landry-Rehling will compile a list of board committees and the members of those committees.

- 9a. **Personnel Committee Report** – K. Livingston distributed the executive director evaluation process handout to each board member and encourage them to familiarize themselves with it. She explained how the process works using the information she shared and noted that the evaluation must be completed prior to the July board meeting.

ACTION: The Executive Committee will meet Friday, July 27, 2012, at 6:30 p.m. The annual board meeting will start at 7:00 p.m. A closed session will be scheduled in order to review the results of the Executive Committee meeting so that action may be taken at the annual board meeting.

- 9b. ARCA Report** – C. Boudreau reported that she has attended three ARCA meetings and there is a lot of activity surrounding the budget issues. She explained the composition of the ARCA and described the dynamics of the participants.

C. Jones distributed a copy of a letter he had sent to the ARCA regarding the So. Cal. regional center directors' group that has been meeting (to discuss "The Way Forward"). C. Jones will make an effort to attend at least one of their meetings. Their annual meeting is set for June.

- 10. Tabled/Unfinished Business** – B. Fontaine reported that the Executive Committee held a telephone conference meeting on May 6, 2012, to discuss the California Children's Services (CCS).

ACTION: At that meeting, B. Fontaine appointed an Ad Hoc Committee to follow up on CCS issues in Del Norte and Lake counties. The committee consists of T. Leighton, Steve Perez, and Mary Block. The minutes of that meeting will be in the next board packet and posted on the RCRC website.

The Ad Hoc Committee intends to have a system in place with timelines spelled out. This activity is part of the advocacy role of the board members and would enable the board to track data about these issues over time.

ACTION: B. Fontaine announced that, as of May 2012, all board committee meetings must have minutes. Once approved by the board, D. Landry-Rehling will see that they are posted on the RCRC website.

11. New Business

- T. Leighton requested an update on the DSM V. This manual has been updated and staff are asked to provide an update. The changes that have been made in the manual can affect *who* can receive *what* services from regional centers.
- Regarding the right of clients to be free of 'abuse', T. Leighton asked about the Whistleblower policy being applied to service providers, and also to have regional centers consider requiring wording in the service design which incorporates "action steps" about what will happen if retaliation occurs. She felt that a change in the service design requirement might better assure the rights of clients to be free of abuse.

12. County by County Liaison

- It was announced that the Parents and friends Fundraiser known as the "Hoity Toity" takes place today in Fort Bragg.

13. Community Input

- D. Morley recommended that interested persons check the State Council on Developmental Disabilities web site for information about board training known as "Boards For All".

ACTION: D. Morley will email the link to RCRC so that RCRC board members can get further information.

NOTE: Following the lunch break, today's meeting will reconvene to receive the report

and recommendations of the Finance Committee regarding Form 990.

ACTION: The Finance Committee recommended the following changes to Form 990: change the word "consumer" to "client" throughout the document; change the hours of service allotted to officers of the board of directors to reflect realistic timelines (8 hours for president and 4 hours for Executive Committee members. For all other board members, the 2 hour allotment will remain the same.

ACTION: The recommendations offered by the Finance Committee regarding Form 990 are approved and the document will be submitted to the IRS.

14. The meeting adjourned at 1:10 p.m. The next meeting is the Annual Meeting and is scheduled for Friday, July 27, 2012, at 7:00 p.m. at the RCRC office in Ukiah, CA.



Claudia Boudreau, Secretary
RCDSC Board of Directors

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