



**MINUTES OF THE MAY 19, 2015 MEETING OF THE BOARD OF
TRUSTEES OF THE HARBOR DEVELOPMENTAL DISABILITIES
FOUNDATION, INC.**

BOARD PRESENT:

Mr. Fu-Tien Chiou, Secretary
Mr. Joe Czarske, ARCA Representative
Mr. Douglas Erber, Treasurer
Dr. James Flores, Board Member
Mr. David Gauthier, Board Member
Ms. Karen Kinnebrew, President
Ms. Patricia Jordan, Board Member
Mr. John Rea, Past President
Dr. Bobbie Rendon-Christensen, Board Member
Mr. Mariano Sanz, Vice President
Dr. Monica Sifuentes, Board Member
Ms. Wendy Sorel, Board Member

BOARD ABSENT:

Ms. Kristine Engels, Board Member
Mr. Robert Irlen, Board Advisor
Mr. Marvin Malito, Board Member
Ms. Claudia Villanuevas, Board Member

STAFF PRESENT:

Ms. Patricia Del Monico, Executive Director
Ms. Claudia DeMarco, Associate Director
Ms. Judy Wada, Chief Financial Officer
Ms. Nancy Spiegel, Director, Info. & Dev.
Ms. Mary Hernandez, Director of Adolescent & Adult Services
Mr. Jahn Rokicki, Director of Children Services
Mr. Dave Bourdeau, Director of IT
Ms. Cheryl Perez, Executive Assistant

GUESTS:

Ms. Juana Naranjo, Parent
Ms. Denise Thornquest, DDS liaison
Mr. Masa, HRC staff
Ms. Stephanie Scruggs, HRC staff
Ms. Erika Gonzalez, HRC staff
Ms. Shanola Harvey, HRC staff
Mr. Tae Kim, HRC staff
Ms. Elena Pas, HRC staff
Ms. Tracee Logan, HRC staff
Mr. Vincente Miles, HRC staff
Mr. Alfredo Flores, HRC staff
Ms. Mary Jefferson, HRC staff
Mr. Daniel Gomez, HRC staff
Mr. Mead Duley, Client

CALL TO ORDER

Ms. Kinnebrew called the Board Meeting to order at 6:41 p.m.

PRESIDENT'S REPORT

Ms. Kinnebrew welcomed Board members, guests and staff.

Ms. Kinnebrew invited the Board members and guests to introduce themselves.

Ms. Kinnebrew led in the Pledge of Allegiance to the Flag.

Ms. Kinnebrew asked that the record reflect that the Executive Committee met on May 5, 2015 to prepare the agenda for tonight's meeting.

Ms. Kinnebrew reminded the Board that at the April Board training meeting an action was taken to extend our line of credit with City National Bank and, as our training meeting was not an official business meeting, the Board will need to ratify this action at this meeting and referred the Board to the copy of the borrowing resolution that was handed out for reference.

Mr. Czarske moved to ratify the extension of Harbor Regional Center's line of credit with City National Bank. The original agreement was dated May 1, 2010. The most recently revised agreement was dated May 6, 2014. The principal amount of the revolving note was \$36,000,000, payable in full on June 30, 2015. The termination date will be extended to June 30, 2016. An increased principal amount of \$40,000,000 will be available from July 1, 2015 until October 1, 2015, or the effective date of the State of California budget for the fiscal year 2015-16; and \$23,500,000, thereafter, to manage cash flow requirements as needed and Mr. Rea seconded the motion which was unanimously approved by the Board.

Ms. Kinnebrew reminded the Board that the Board retreat is scheduled for May 30, 2015. The meeting will be at the Long Beach office beginning at 9:00 a.m. A map and directions to the LB office will be emailed to all Board members soon.

Ms. Kinnebrew advised the Board that they have been provided with a list of Trustees who are eligible for election to serve an additional term and asked that they please complete this ballot and return it to the Recording Secretary at the end of tonight's meeting.

Ms. Kinnebrew informed the Board that they have also been provided with an Official Ballot for the Election of Officers for the Fiscal Year 2015/2016 and asked that they please complete this ballot and return it to the Recording Secretary at the end of tonight's meeting.

Ms. Kinnebrew lastly, advised the Board that a third ballot has been provided with a list of recommended candidates to serve on the board and reported that Ms. Del Monico will review this in the Board Development committee minutes report.

Ms. Kinnebrew advised the Board that there will be an executive session of the Board immediately following our business meeting and the purpose of the executive session is to discuss a legal matter.

APPROVAL OF THE MINUTES OF THE MARCH 17, 2015 BOARD MEETING. Mr. Sanz moved to accept the MARCH 17, 2015 minutes of the Board meeting, and Mr. Rea seconded the motion, which was approved by the Board.

TREASURER'S REPORT

Mr. Erber reviewed the following financial statements: The Harbor Developmental Disabilities Foundation Harbor Help Fund Statement of Income and Expense dated January 1 to March 31, 2015; The Harbor Regional Center Monthly Financial Report for Fiscal Year 2014-15 dated Feb. 2015 and March 2015; the Harbor Regional Center Functional Expenditures, dated Feb. 2015 and March 2015; the Harbor Regional Center Line Item Report, dated Feb. 2015 and March 2015; and the Harbor Regional Center POS Contract Summary, dated Feb. 2015 and March 2015.

Mr. Sanz moved to approve the Treasurer's Report for Harbor Regional Center and Mr. Czarske seconded the motion, which was unanimously approved by the Board.

Ms. Wada called the Boards attention to the Contracts requiring Board approval list that was included in their packet prior to the meeting for review and approval. Ms. Wada reviewed the contracts list in detail.

Mr. Sanz moved to approve the following 7 Contracts and Mr. Czarske seconded the motion, which was unanimously approved by the Board:

Contract Transportation

1. Ideal Transit, Inc.
11412 Stewart St.
El Monte, CA 91731

2. Round Trip Transportation, Inc.
2140 Durfee Ave.
El Monte, CA 91733

Projected annual amount: approx. \$7,000,000-\$8,000,000 total for both providers

Professional Services

3. The Columbus Organization
1012 West Ninth Ave.
King of Prussia, PA 19406

Description of Services: Professional clinical services

Projected annual amount: not to exceed \$2,182,294

Community Placement Plan Grants

4. Plaza de Madrid, Inc.
20120 Plaza de Madrid
Cerritos, CA 90703

Description of Services: Community Placement Plan

Total Amount: \$300,000

5. Ambitions CA, Inc.
2305 W. 190th St., Suite 100
Torrance, CA 90504

Description of Services: Community Placement Plan

Total Amount: \$300,000

6. Aacres CA, LLC
5709 W. Sunset Highway, Suite 100
Spokane, WA 99224

Description of Services: Community Placement Plan

Total Amount: \$300,000

7. Aacres CA, LLC
5709 W. Sunset Highway, Suite 100
Spokane, WA 99224

Description of Services: Community Placement Plan

Total Amount: \$450,000

EXECUTIVE REPORT

1. CURRENT YEAR BUDGET STATUS:

Ms. Del Monico advised the Board that the most recent Sufficiency of Allocation Report (SOAR) for the current fiscal year based upon expenditures through February, 2015 was provided in their packet for review. The SOAR includes the most recent allocation (the A-3) to the centers and, accordingly, the projected deficit has been reduced to about \$150 million. Assuming the additional funds specified for the current year in the Governor's budget are made available and allocated to the regional centers, this deficit will be nearly eliminated. Ms. Del Monico will continue to keep the Board advised.

2. LAO BRIEF:

Ms. Del Monico reported that as part of the budget hearing process, the Legislative Analyst prepared a briefing paper for the legislature summarizing the Lanterman Developmental Disabilities Services Act and setting forth an overview of the major DDS budget solutions affecting the community caseload from 2003 to the present. This is a very brief and incisive document. Discussion followed.

3. MAY REVISE OF THE GOVERNOR'S BUDGET FOR FY 2015-16:

Ms. Del Monico announced that the May Revise to the Governor's budget has been released and advised that the Administration has failed to provide additional funding for the regional center system notwithstanding the urgent need facing our system. She summarized the various provisions of the May Revise affecting the developmental services system and noted, especially, that the Administration took this occasion to announce an intention to close the remaining state developmental centers. Ms. Del Monico recognized all of the staff, Board members, clients, parents and service providers who have participated in a variety of ways to advocate for increased support for the developmental services system.

4. ARC/UCP LAWSUIT UPDATE:

Ms. Del Monico reported that on February 13, 2015 a federal district court issued a ruling that ordered the State to stop further implementation of two “cost-saving” reductions put in place in 2009 and 2011. On March 31, 2015, the Supreme Court held in *Armstrong v. Exceptional Child Ctr., Inc.*, that the Supremacy Clause does not confer a private right of action to compel compliance with specified sections of the Medicaid Act and federal courts lack jurisdiction to issue such an injunction. In light of the *Armstrong* decision, the state defendants (DHS and DDS) have filed a motion to vacate the partial summary judgment and permanent injunction and if the motion to vacate is granted, the “**uniform holiday schedule**” and the “**half -day billing rule**” will remain in effect. Ms. Del Monico will keep the Board advised.

5. SSI AUDIT:

Ms. Del Monico reminded the Board that regional centers may serve as “representative payee” for clients who are not capable of managing their own funds and who do not have a family member involved and able to do so. Ms. Del Monico reported that on March 26, 2015, the Social Security Administration conducted an audit of the HRC management as representative payee for our clients who receive Social Security and/or Supplemental Security Income (SSI) benefits. Ms. Del Monico called the Boards attention to the SSA findings and the HRC response which were included in their packet prior to the meeting for review. SSA has urged HRC to develop a separate bank account for clients whose balance exceeds a specified amount. Discussion followed.

Mr. Erber moved that Harbor Regional Center establish a third bank account for Client Funds when Harbor Regional Center acts as the representative payee for clients who receive Social Security Administration (SSA) and/or Supplemental Security Income (SSI). The existing accounts are for General Client Funds (“HRC for Client Funds”) and for clients who receive retroactive payments as a minor (“HRC Client Collective Dedicated Account”). The new bank account will be a savings account for clients whose balance exceeds \$2,000 (“HRC Client Collective Savings Account”) and Mr. Chou seconded the motion that was unanimously approved by the Board.

6. CASELOAD RATIOS:

Ms. Del Monico reported that all regional centers are required to meet specified service coordinator (counselor) to client caseload ratios and to report the status of these caseload ratios annually. Ms. Del Monico advised that a copy of the current statewide caseload ratio data, a copy of a letter from DDS to HRC dated April 30, 2015 concerning this matter and a copy of HRC’s draft response were included in the board packet prior to the meeting for review. There was consensus that the draft response would be posted on the HRC website and sent to the HRC electronic bulletin subscribers to solicit input. Following this, the letter and any input received will be sent to DDS.

7. PURCHASE OF SERVICE EXPENDITURE DATA:

Ms. Del Monico reported that Harbor Regional Center held two community meetings to present the data and to solicit input from those who attended. The meetings were held in Torrance and in Long Beach and translation into Spanish were available at both meetings. Several Board members were able to attend and participate.

8. SDC's IN THE NEWS:

Ms. Del Monico called the Boards attention to the news article that was included in the packet.

9. CALIFORNIA STATE AUDIT OF "LEAST COSTLY" POS ALTERNATIVE:

Ms. Del Monico informed the Board that California State Auditor is in the process of auditing another "cost savings" provision of the Lanterman Act put into place during the Great Recession.

Mr. Sanz moved to approve the Executive Report and Dr. Sifuentes seconded the motion, which was unanimously approved by the Board.

COMMITTEE REPORTS

A. AUDIT

Ms. Sorel reported that the 990 was approved and filed.

B. BOARD DEVELOPMENT

Ms. Del Monico provided the Committee report as Mr. Bird is no longer on the Board. The Committee is recommending the re-election of four Board members, a new slate of officers and four new candidates to serve on the Board. Ms. Del Monico reviewed the background of the four new candidates with the Board. Ms. Del Monico referred the Board to the official ballots that were provided to them and asked them to complete them and return them to the recording secretary at the end of the meeting. Ms. Delmonico announced that the final arrangements are completed for the May 30th Board Retreat and details and directions will be sent out soon.

C. CLIENT ADVISORY

In Mr. Malito's absence, Ms. Spiegel advised that the committee will be meeting on Saturday, May 23rd to continue planning for HRC client participation as volunteers with the World Games and for the HRC Health Fair which is scheduled to take place next fiscal year.

D. CLIENT SERVICES

Mr. Chiou reported that the committee met on April 28, 2015 and Ms. Rivas, Early Start Program Manager, presented to the group on a family-based program entitled; "Mi Familia and Yo" Ms. Hernandez gave the committee an update on the self-determination program and will report further after the first meeting in June. The next meeting is scheduled for May 26th at 6:00 p.m.

E. COMMUNITY & FINANCIAL DEVELOPMENT

Ms. Spiegel advised that the committee will meet in June and will report at the next meeting in July.

F. SERVICE PROVIDER ADVISORY

In Ms. Engels absence, Ms. Spiegel reported that the committee met today prior to the board meeting and referred the Board to the March minutes for further details of the March meeting.

G. BOARD PLANNING

Ms. Sorel reported that the Board Planning Committee will meet next in July.

H. RETIREMENT

Mr. Czarske reviewed the Harbor Regional Center Retirement Plan Balances as of March 31, 2015 and the Harbor Regional Center Retirement Plan Performance Sheet.

Mr. Sanz move to resolve that Harbor Regional Center make a supplemental contribution to the Harbor Regional Center Prototype Profit Sharing Plan with a 401 (k) Feature ("the Retirement Plan") to the extent that there are available operations funds in the Fiscal Year 2014-15 contract after all year end expenditures are considered. The supplemental contribution to the Retirement Plan will be not more than 1.50% of the gross salary paid in Fiscal Year 2014-15 to each active employee as of June 30, 2015 and Mr. Erber seconded the motion which was unanimously approved by the Board.

I. ARCA

Mr. Czarske reported that the next meeting is in June and asked that everyone email their legislators asking them to support the Regional centers.

J. HOPE (Home Ownership for Personal Empowerment)

In Mr. Irlen's absence, Mr. Duley reported that HOPE is hosting a fundraiser on June 6, 2015, entitled; "Casino Night". A handout was provided with the details. Mr. Duley invited everyone to come and support the event.

K. INTERAGENCY COORDINATING COUNCIL

Mr. Erber reported that the council met in April and Mr. Santi Rogers, DDS Executive Director attended the meeting. The committee is continuing to work on strategic planning. The next meeting is in July.

Mr. Sanz moved to accept the committee reports and Mr. Gauthier seconded the motion which was unanimously approved by the Board.

PUBLIC INPUT

Mr. Duley shared with the Board the medals that he won at the last Special Olympics events.

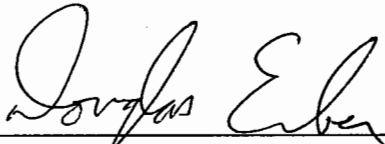
EXECUTIVE SESSION

The Board went into Executive Session to discuss a legal matter. During Executive Session:

Mr. Gauthier moved to authorize executive staff to enter into a revised lease with the Del Harbor Foundation provided that the economic provisions of the revised lease were equal to or less than those specified in the existing lease. Mr. Chiou seconded the motion and it was unanimously approved by the Board.

ADJOURNMENT

Ms. Kinnebrew adjourned the meeting at 8:13 p.m.

Submitted by: 
Mr. Doug Erber, Secretary
Harbor Developmental Disabilities
Foundation, Inc. Board of Trustees