

KERN REGIONAL CENTER
3200 N. Sillect Avenue • Bakersfield, CA 93308 • (661) 327-8531

Board of Directors Meeting
5:30 p.m. – 7:30 p.m.
KRC Malibu Conference Room
3300 N. Sillect Ave.
Bakersfield, CA 93308

AGENDA
April 1, 2014

I. CALL TO ORDER:

- A. Self Introduction:
- B. Approval of Agenda:
- C. Approval of Minutes of March 4, 2014 as Attachment I
- D. Public Comment: Limited to 5 minutes

II. ACTION AND DISCUSSION ITEMS – BOARD ACTIVITIES:

- A. ARCA Report – Duane Law
- B. Review of Contracts – Audit/Finance Committee
 - AIMES Noble II
 - Mono County Office of Education
 - SAILS I
 - SAILS V

Checklists and contracts attached.
- C. Board Resignation – Susan Lara
- D. Developmental Services Support Foundation Board of Trustees – Annual Appointment
- E. Vendor Presentation: Chataeu d’Bakersfield – Sam and Anu Mohan
- F. Discussion of Board of Directors Confidentiality Agreement – Susan Lara

III. ACTION AND DISCUSSION ITEMS – KRC ACTIVITIES:

A. **Budget Update and Financial Report** – report on the budget situation for KRC and the State as pertains to the delivery of developmental services.

IV. **REPORTS:** (Reports will be made only from groups that have met and/or have items to share)

A. **President’s Report**

B. **Legislative Report**

C. **People First of Kern County Report**

D. **Area Board Reports**

E. **Vendor Advisory Committee**

F. **Executive Committee Report**

G. **Foundation Report**

H. **Foster Grandparent Progress Report**

I. **Affordable Housing Committee (ASPIRE)**

J. **Client Services Report**

K. **KRC Staff Report**

L. **Board Comments**

M. **CEO Comments**

V. **MOTION TO GO INTO CLOSED SESSION:**

VI. **CLOSED SESSION:**

VII. **MOTION TO GO OUT OF CLOSED SESSION:**

VIII. **MOTION TO GO INTO OPEN SESSION:**

IX. **RESULTS OF CLOSED SESSION:**

X. **Adjournment**

X

Ashlee O’Brien, Interim KRC Board Secretary

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Board of Directors Meeting

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MINUTES

March 4, 2014

PRESENT: Susan Lara, President
Frank Meyer, Treasure
Matthew LaGrand
Shawn Kennemer
Lorie Stewart
Emily Greenwood
Quanah Mason
Tracy Brown
Veronica Quezada
Carol Sackey

ABSENT: Steve Esselman, Vice President (excused) and Ashlee O'Brien, Interim Secretary (excused)

- I. **CALL TO ORDER:** The meeting was called to order at approximately 5:45 p.m. by Susan Lara. It was determined that a quorum was present.
 - A. **Self Introductions:** Self-introductions were made around the table. In addition to Board members listed above, in attendance were Ivory Carroll, Dale Oprehey, Tammy Reynolds, David Marcus, Nick Schneider, Diane Schneider, Dale Davis, Misty Varner, Rhonda Glenn, Charles Glenn, Joe Correa, Jill Green, Mitzi Villalon and KRC Staff: Jon Gusman, Maria Solano, Duane Law, Susan Hernandez, Cherylle Mallinson, Margaret Pyles, Blanca Gamboa, John Noriega and Juan Vieyra.
 - B. **Approval of Agenda: M/s/c---** (LaGrand/Meyer) to approve the agenda as written. (10-0-0)
 - C. **Approval of Minutes of February 4, 2014 as Attachment I: M/s/c---** (Meyer/Mason) to approve the minutes as written. (9-0-1) Shawn Kennemer abstained from voting due to not being present during February's Board meeting.
 - D. **Public Comment:** Juan Vieyra commented that with all the questions and suggestions that the Board needs more Hispanic representation, he wanted to remind everyone to remember that in regards to Hispanics and the Hispanic population, being Hispanic can apply to first, second or even third generations.

Susan Lara reported that League of Dreams is having Opening Day on March 16, 2014 at Fruitvale Norris Park. They were able to sign up 235 athletes and over 300 volunteers. There are no games scheduled on March 16th, it is just a Meet and Greet with a B-B-Q and the actual games start the following Sunday, March 23rd. Matthew LaGrand commented that he meet with Shannon Grove and he also was able to meet with Senator Jean Fuller. Veronica Quezada added that she also attended the meeting with Senator Jean Fuller and stated that it went very well. Senator Jean Fuller gave them plenty of helpful tips and explained that it will be a challenge but not impossible. David Marcus commented that he would like to attend any other meetings they might have. The meeting was to initiate conversations about possibly introducing a Bill that would require cameras to be installed in classrooms for special needs children.

II. **ACTION AND DISCUSSION ITEMS - BOARD ACTIVITIES:**

- A. **ARCA Report** - Duane Law reported that they have not met. The next meeting will be held on March 19, 2014. Duane also reported that as of March 3rd, 2014, Santi Rogers started his tenure as the Director of DDS. Santi was previously the Executive Director at San Andreas Regional Center before being appointed. All Directors are happy to have Santi Rogers as the Director and they anticipate many great changes.
- B. **Review of Contracts – Audit/Finance Committee** - Susan Lara reported that the committee met on Monday, March 3, 2014 to review the following contracts and after review, the Audit/Finance Committee is recommending the contracts for approval:
 - o Inclusion Films
 - o Phase Two Service Corp. 6
 - o SAILS VI
 - o SAILS IX
 - o SAILS X

Susan Lara reported that the committee spoke briefly of the enactment of AB74 in 2011, which required the Board of Directors to review and approve any contracts of \$250,000 or more, Welfare and Institutions Code (WIC) sections 4625.5, 4646, 4646.4, 4646.5. The committee began conversation surrounding the other 2011 regulation changes requiring a 15% Administrative CAP/Cost Statement and an Independent Audit Review or Report for applicable vendors as per Title 17 of the California Code of Regulations and WIC 4652.5. The Community Services Department has requested these requirements and many vendors have already complied with requests. It is the Community Services department's recommendation that both items be received before contracts may be approved by the Board. The Committee discussed this item at length, and since many vendors are complying, and others have not, the committee feels that the Board should take action to promote consistency. A motion was made to recommend to the full Board the following requirement: To have all vendors who are required to submit independent audit or review report, along with 15% Administrative CAP/Cost Statement, must submit these reports by the end of this 2013-2014 fiscal year (June 30, 2014). If a vendor fails to submit their report or audit by this deadline, the Kern Regional Center Board of Directors will not review their contract for purposes of renewal. If the vendor has initiated but not completed their audit or independent review report prior to June 30, 2014, a copy of the engagement letter with their

CPA, submitted to the KRC Community Services Department may allow an exception for purposes of review. The final audit or independent financial review report must be submitted to KRC Community Services Department. Shawn Kennemer asked if the 15% Administrative CAP was a yearly requirement. Cherylle Mallinson stated that legislation stated every renewal of contract the 15% Admin CAP must be met. Discussions followed regarding this rule and piece of legislation and Shawn requested that they review the actual Title 17 sections of this law to further clarify. It was also requested that the approval for this requirement, the 15% Admin CAP, is tabled until further review. **M/s/c---** (Meyer/Kennemer) to approve the requirement of having vendors submit an Independent Audit Review or Report as per Title 17 of the California Code of Regulations and WIC 4652.5. (10-0-0). **M/s/c--** - (Kennemer/Sackey) to table the approval of the 15% Admin CAP/Cost Statement until Title 17 and WIC codes are reviewed and provided. (10-0-0).

- Inclusion Films – Before discussions began regarding this vendorization, Nick Schneider commented that he really enjoyed the program. He explained to the Board the activities that he does on a daily basis. Diane Schneider commented that Nick’s interactions with others have improved because of this program. Other discussions continued regarding the length of the program, the cost and what the program provides to consumers. After discussions and clarification of the services, the Board motioned to approve the contract. **M/s/c---** (Quezada/LaGrand) to approve the contract for Inclusion Films, LLC. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
- Phase Two Service Corp. 6 – Cherylle Mallinson explained the contract and the type of service this home will provide. Discussions were held about the type of consumers that would be able to live in the home. After discussions and a couple of questions the Board motioned to approve the contract. **M/s/c---** (Meyer/Sackey) to approve the contract for Phase Two Service Corp. 6. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
- SAILS VI, IX and X – Cherylle Mallinson explained that all of this contracts are renewals and they are homes that have been vendored with KRC for several years. After brief discussions about the homes, the Board motioned to approve the contracts. **M/s/c---** (Meyer/LaGrand) to approve the contract for SAILS VI. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC. **M/s/c---** (Meyer/Mason) to approve the contract for SAILS IX. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC. **M/s/c---** (Meyer/LaGrand) to approve the contract for Phase Two Service Corp. 6. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.

C. Vendor Presentation: The Jasmine Nyree Education Center – Duane Law gave a brief introduction on the addition of this item on the Board of Directors Agenda and The Jasmine Nyree Education Center. Duane explained that moving forward, every month, they will have one vendor present their agency and services. Ivory Carroll gave a video presentation on The Jasmine Nyree Education Center. The video explained how the agency started as well as what services they provide. After the presentation, members had various questions about services, locations and what consumers do they serve.

III. ACTION AND DISCUSSION ITEMS – KRC ACTIVITIES:

- A. Budget Update and Financial Report** – Jon Gusman reported that since the last Board meeting, the State was billed \$12.25 million for January services. The current bank balance is \$11.86 million. In February, KRC received the E-3 Contract Amendment from DDS, which allocated \$3.9 million in purchase of service monies. Statewide, the total purchase of service monies allocated to regional centers was \$87.5 million. The purchase of service deficit for KRC is now down to \$4.5 million. Statewide, the deficit has decreased to \$227 million. It was reported last time that DDS would continue to pay 100% claims thru the month of February and begin offsetting claims in March at \$.85 on the dollar. Most recently, DDS extended the payment of 100% claims thru the month of March with offset of claims to begin in April at \$.50 on the dollar. For FY 12-13 statewide, the purchase of services deficit is down to around (\$35) million. KRC's deficit remains at around (\$2.3) million. For FR 11-12 there are enough funds remaining to pay any late bills.

Duane explained that KRC does its best to keep cost down. The deficits are cash flow issues, not issues related to KRC spending.

IV. REPORTS: (Reports will be made only from groups that have met and/or have items to share)

- a) President's Report – Susan Lara reported that KRC will be having the next Family Forum on Wednesday, March 12, 2014 and they will be discussing the POS Distribution Report. Susan also reported
- b) Legislative Report – Duane Law had nothing to report.
- c) People First of Kern County Report – Glen Callister was not present to report.
- d) Area Board Reports – No report was given.
- e) Vendor Advisory Committee – Shawn Kennemer reported that they just had their first meeting of the year. Their next meeting will be held on March 27th and they are looking at forming committees and more formal policies.
- f) Executive Committee Report – Susan Lara reported that the committee met on March 27th to meet Jeff Chang, KRC's ERISA Attorney by phone. The meeting was only information sharing and no actions were taken.
- g) Foundation Report – No report was given.
- h) Foster Grandparent Progress Report – Susan Hernandez had nothing to report.
- i) Affordable Housing Committee (ASPIRE) – Beth Himelhoch reported that they are getting ready to finalize the contract that will built an apartment complex for consumers. They are also still in the process of working out another contract to approve the construction of a 72 unit apartment complex, 12 units will be IMAH client and the rest for seniors.
- j) Client Services Report – Susan Hernandez had nothing to report.
- k) KRC Staff Report – Margaret Pyles reported that she has been in her Human Resources Manager role for the last six weeks. Currently, KRC is looking for a part-time Service Coordinator for Bishop and it was open internally and externally. Last week, they completed interviews for the Director of Client Services and Director of Community

Services. The panel that completed the interviews is planning on meeting to make a final decision.

- l) Board Comments – Emily Greenwood commented that she is doing a paper on disabled discrimination and she is looking for people to interview. She indicated that she can interview parents also. The paper is due in the month of June 2014 and if anyone is interested in being interviewed please email her. Susan Lara commented and thanked Duane for allowing a couple of Board members to be part of the interview process for the Director positions. Matthew LaGrand commented that there is a new bus in town that drives you to the airport since the old one that used to be in downtown was shut down.
- m) CEO Comments – Duane Law commented that last month in Closed Session, the Board took into consideration to move the ‘Trustee’ responsibility from the C.E.O. and C.F.O. to the KRC Board of Directors. Duane and Jon also met with the Pension Committee and an All Staff email was sent out to inform staff of the Board’s decision.

V. **MOTION TO GO INTO CLOSED SESSION:** Susan Lara commented that there was a personnel issue that the Board needed to address in closed session. **M/s/c---** (Meyer/LaGrand) to go into closed session. (10-0-0).

VI. **CLOSED SESSION:** Reader is referred to Item IX. Results of Closed Session.

VII. **MOTION TO RETURN TO OPEN SESSION:** **M/s/c---** (Quezada/LaGrand) to return to Open Session. (10-0-0).

VIII. **RESULTS OF CLOSED SESSION:** The Board of Director’s addressed a personnel issue. The Board completed their Annual Evaluation of the CEO and reviewed a detailed Compensation Survey of Executive Directors of California Regional Centers and other non-profits to authorize salary. After discussion and review, the Board motioned to approve the following: **M/s/c---** (Meyer/Kennemer) to authorize CEO’s salary in line with industry standard based on thorough job evaluation and review of detailed Compensation Survey of Executive Directors of California Regional Centers and other non-profits (Salary Market Comparison, Employers Group). Action in accordance with Schedule J Form 990. (10-0-0).

IX. **Adjournment**

Ashlee O’Brien, Interim KRC Board Secretary

ACTION LOG

March 4, 2014

1. **M/s/c---** (LaGrand/Meyer) to approve the agenda as written. (10-0-0).
2. **M/s/c---** (Meyer/Mason) to approve the minutes as written. (9-0-1) Shawn Kennemer abstained from voting due to not being present during February's Board meeting.
3. **M/s/c---** (Meyer/Kennemer) to approve the requirement of having vendors submit an Independent Audit Review or Report as per Title 17 of the California Code of Regulations and WIC 4652.5. (10-0-0).
4. **M/s/c---** (Kennemer/Sackey) to table the approval of the 15% Admin CAP/Cost Statement until Title 17 and WIC codes are reviewed and provided. (10-0-0).
5. **M/s/c---** (Quezada/LaGrand) to approve the contract for Inclusion Films, LLC. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
6. **M/s/c---** (Meyer/Sackey) to approve the contract for Phase Two Service Corp. 6. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
7. **M/s/c---** (Meyer/LaGrand) to approve the contract for SAILS VI. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
8. **M/s/c---** (Meyer/Mason) to approve the contract for SAILS IX. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
9. **M/s/c---** (Meyer/LaGrand) to approve the contract for Phase Two Service Corp. 6. (9-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
10. **M/s/c---** (Meyer/LaGrand) to go into closed session. (10-0-0).
11. **M/s/c---** (Quezada/LaGrand) to return to Open Session. (10-0-0).
12. **M/s/c---** (Meyer/Kennemer) to authorize CEO's salary in line with industry standard based on thorough job evaluation and review of detailed Compensation Survey of Executive Directors of California Regional Centers and other non-profits (Salary Market Comparison, Employers Group). Action in accordance with Schedule J Form 990. (10-0-0).