

**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**  
May 6, 2014

**I. CALL TO ORDER:**

- A. Self Introduction:
- B. Approval of Agenda:
- C. Approval of Minutes of April 1, 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 Homes Noble II
  - SAILS Bakersfield Moss Crossing
  - SAILS Bakersfield Redford Court

*Checklists and contracts attached.*
- C. Nominating Committee – Susan Lara
- D. Confidentiality Agreement Board of Directors – Susan Lara
- E. Vendor Presentation: California Mentor – Maggie Solis
- F. The Way Forward Conference Report – Susan Lara, Duane Law, Susan Hernandez

**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.

**B. Audit Report – Jon Gusman**

**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** \_\_\_\_\_

Susan Lara, KRC Board President

## **KERN REGIONAL CENTER**

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### **Board of Directors Meeting**

**5:30 p.m. – 7:30 p.m.**

**KRC Malibu Conference Room**

**3300 N. Sillect Avenue**

**Bakersfield, CA 93308**

### **MINUTES**

**April 1, 2014**

**PRESENT:** Susan Lara, President  
Steve Esselman, Vice President  
Frank Meyer, Treasurer  
Matthew LaGrand  
Shawn Kennemer  
Emily Greenwood  
Quanah Mason  
Tracy Brown

**ABSENT:** Ashlee O'Brien, Interim Secretary (Resigned) Lorie Stewart (excused),  
Veronica Quezada (excused) and Carol Sackey (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 Robert Gibson, Delia Serrano, Kelly Kulzer-Reyes, Moises Reyes, Karina Diaz, Sam Mohan, Susan Graham, David Marcus, Grace Huerta, Sheryl Navarro, Marlene Donahue, Iman Killebrew, Josephina Bowman, Barry Knight, Luz Knight, Rhonda Glenn, Lesley Sharp, Aaron Markovits and KRC Staff: Jon Gusman, Maria Solano, Duane Law, Susan Hernandez, Cherylle Mallinson, Margaret Pyles, Juan Vieyra, Pam Woodruff, Monica Fowler, Cindy Martinez, Eva Rocha, Melvina Mull, Leah Pasqua, Stephanie Oliver, Lino Segura, Hanh Mireles, Sherri Hosey, Maria Jacquez, Fatima Marquez, Yesenia Mackie, Maddie Dircks, Michelle Farley, Yadira Camorlinga, Blanca Gamboa, Karla Tomlinson, Jenny Ainsworth, Kristie Jandel, Denise Arreguin, Laura Quintana, Lulu Calvillo, Yvonne Romero, Misti Royal, Lindsey Stambolian, Albert Melendez, Celia Pinal, Sally Gann, Lisa Womack, Christina Garza, Mark Meyer, Sam Duarte, John Noriega, Teresa Farmer, Jennifer Rimer, Mary Abel and Rosa Ortiz.
  - B. Approval of Agenda:** M/s/c--- (Esselman/Meyer) to approve the agenda with the following additions: Item II. F. Discussion of Board of Directors Confidentiality Agreement. (8-0-0).

- C. **Approval of Minutes of February 4, 2014 as Attachment I: M/s/c---** (Meyer/Mason) to approve the minutes with the following correction: Page 4 under Reports: Client Services Report: it should read Susan Hernandez not Susan Lara. (7-0-1) Steve Esselman abstained from voting due to not being present during March's Board meeting.
- D. **Public Comment:** David Marcus read a column that he wrote for the Bakersfield Californian and the article discussed supporting the League of Dreams. Susan Lara added that the first games were two Sunday's ago and they had over 300 volunteers and over 230 athletes. They were able to have over 30 teams. Susan Lara reminded everyone that League of Dreams is free before a certain date. Susan Lara reported that their bowling season will be starting soon.

Juan Vieyra thanked everyone for coming to the Board meeting and he also thanked the Board for allowing him and others the opportunity to speak during Public Comment. Juan Vieyra explained that he would speak first and then Pam Woodruff, Robert Gibson and Delia Serrano regarding an issue. Juan Vieyra commented that they are here today to express concern about recent changes involving the Pension. Juan Vieyra commented that they feel the C.F.O. and C.E.O. have disregarded historic practice due to recent changes to the Pension Committee. Pam Woodruff commented that she has been part of the Pension Committee since it was established. Pam Woodruff explained how in 2002, KRC employees voted to opt-out of Social Security and into a Pension Plan. Pam Woodruff explained that all employees moved to the Defined Benefit Plan and a few stayed in the Money Purchase Plan, these are the only Pension Plans for KRC. Pam Woodruff explained that the Pension Committee was enacted with 2-3 employees from Defined Benefit and 2-3 employees from Money Purchase along with the C.E.O., C.F.O. and Director of Human Resources. Pam also explained how the Pension Committee works and what role they play in regards to the Pension. Pam explained how the plan has been successful and it is currently healthy. Pam commented that it is important that the union members as well as the committee be involved in oversight of the plan. Robert Gibson explained how Pension Plans work for non-profits and commented that the Pension Committee has been abolished and also explained why it is important to continue the committee. Robert explained that there are exceptions to the law and it is not a conflict of interest to have a committee. Delia Serrano thanked the Board for allowing them the opportunity to come and voice concerns. Delia commented that the change in the Pension Committee has violated the SEIU Union agreement and Administration has an obligation to meet with all employees to address changes that affect them. Delia commented that Administration failed to do this and is in violation of laws which can fall under Unfair Labor Practice. Delia explained that the last thing they want to do is file a complaint but these issues affect the workforce.

Susan Lara thanked the staff and the union for their comments but clarified that the Pension Committee was not eliminated. Susan explained that the Board values the employees and explained there is no intention in abolishing the Pension Committee.

Kelly Reyes commented that she traveled from Pine Mountain, CA to express two concerns. Kelly explained that they are concerned about the bill that was passed in regards to Self-Determination and wanted to make sure Kern Regional Center is actively keeping their attention on this new law. Kelly commented that the second concern she had was in regards to the workload of the Service Coordinators that

work for Kern Regional Center. Kelly commented that Service Coordinators can't provide the proper attention to their clients when their workload is as high as it is. Kelly commented that KRC needs to address this issue and hire more staff to decrease caseloads. Susan Lara thanked Kelly for her expressed concerns and she explained that as a parent she understands and shares her concerns.

Shawn Kennemer asked about KRC and the initial pilot for Self-Determination. Duane Law explained that KRC is part of the initial pilot along with two other regional centers. Duane explained that the bill has been passed but it is still in the process of being implemented and they anticipate the process will take the entire year. Duane also explained that all other regional centers will join Self-Determination and those already in the program will be grandfathered in. Discussions continued regarding Self-Determination.

Grace Huerta commented that the Exceptional Family Center will be having their annual Spanish Conference on Saturday, April 26<sup>th</sup> at the Double Tree Hotel. Grace explained that if interested, they can contact their Service Coordinator for information on how to attend. Matthew LaGrand commented that he will be able to spend Easter with his family. Josephina Bowman commented that she would like to know about the Family Forum and she expressed concern in regards to proper translations during these important meetings. Josephina explained that during the last Family Forum, translation was provided but it was not quality translation and some comments made by the parents were left out. Susan Lara explained that KRC is actively searching for agencies that can provide proper translation. Cherylle Mallinson commented that Community Services has made contact with six local agencies but neither of them were interested. Cherylle explained they were able to find an outside agency through Central Valley Regional Center but they are working out the rates with the vendor. Josephina commented that she would like to request a meeting between parents served by Kern Regional Center and the new Director of DDS. Duane Law explained that he extended an invitation to Santi Rogers to visit Kern and Santi informed him that he would see what he could do. Josephina requested that they are informed of his potential visit or any updates. Susan Lara commented that it is great to see all the advocacy parents do but reminded everyone that advocacy needs to be done at the Legislation level also. Susan encouraged everyone to advocate at all levels.

Susan Lara also commented that Ramona Puget from Kern Autism Network was not able to attend tonight's Board meeting but she wanted Susan to notify every one of various events they are having. Susan Lara read all the events and flyers were made available for the public. Susan Graham commented that H.E.A.R.T.S. will be having a Special Needs Trust Workshop on April 10<sup>th</sup> and M.A.P.S.S. is having a free egg hunt event for families. Lastly, Susan Graham commented that they will be having their 10<sup>th</sup> Annual Bunko Night and it will be held at Inclusion Films. Marlene Donahue asked about the Confidentiality Agreement item of the Agenda and wanted to know more information about it. Susan Lara commented that they will be discussing this later on during the meeting and any questions could be asked then. Marlene Donahue also asked a question in regards to the minutes from the March Board meeting. Specifically, where it referenced the C.E.O.'s salary, Marlene asked for clarification. Susan Lara explained that the C.E.O.'s salary was adjusted to meet the average salary range for regional center's C.E.O.'s. A question was asked about the specific amount of the C.E.O.'s salary and Margaret Pyles responded that she felt this was not the appropriate forum to disclose this information. Discussions started as

to why the Board does not disclose this information. Jon Gusman informed every one that this information would become available on the 990 IRS form for 2014 which will be posted on the KRC website in late May.

## **II. ACTION AND DISCUSSION ITEMS – BOARD ACTIVITIES:**

**A. ARCA Report** – Duane Law explained that Phil Bonnet was hosting the ARCA meeting and discussed how the meeting went. Duane reported that the new DDS Administration attended the ARCA meeting and Santi Rogers spoke about a new collaboration with ARCA to do a ‘system repair’. Duane explained that various issues were discussed including what is going on in Legislation and Duane explained ARCA’s position for each.

**B. Review of Contracts – Audit/Finance Committee** – Susan Lara reported that the committee met on Monday, March 24<sup>th</sup> to review the following contracts:

Juan Vieyra asked how many Board members were in the committee and Susan Lara explained that they started the committee with five but due to members leaving or their terms ending, they are now down to three.

- AIMS Noble II – Susan Lara reported that they will not be voting on this contract due to issues and needed clarification as well as minor changes to the contract. Once these items have been clarified, the contract will be presented next month.
- Mono County Office of Education – Susan Lara reported that this contract is a renewal with a 36 month term from 7/1/2013 to 6/30/2016. The type of service is Public School Early Intervention Program. Vendedored in August 2000, the early intervention program is run through the Public School System in Mono County. The program includes comprehensive assessments, home visitations, speech therapy, transition planning, vision and hard of hearing specialist, school nurse, and parent education. The services covered are provided by licensed professionals. These services are for children 0-3. The rate is \$13,750 a month, the rate has not changed since 2000 and they currently have 12 children in the program. Vendor is in good standing and the committee is recommending this contract for Board approval. **M/s/c---** (Meyer/LaGrand) to approve the contract for Mono County Office of Education. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
- SAILS I – Susan Lara reported that this contract is a renewal, vendedored in 1995. It is a specialized residential facility for adults to provide a 2 bed structured living environment. Consumers may display behaviors such as extreme physical aggression, explosiveness, resistiveness, tantrums, self-injurious behavior, and need constant visual monitoring and interaction. Consumers in this home do not attend a day program and require 1:1 staff. Rate is \$16,000 a month per consumer. Contract is 24 months from 7/1/2013 to 6/30/2015. SAILS has provided their 15% Administrative Cap/Cost Statement, but has not provided an Independent Audit report or review report, however, vendor reports that this should be done shortly. Community Services Department reports the clients are being well served. Steve Esselman asked about

why vendor has not provided an Independent Audit report. Cherylle Mallinson explained that while KRC has not received a report, the vendor has provided a letter of engagement from their CPA which can be sufficient until the report is received. Susan Lara reported that the committee is recommending this contract for Board approval. **M/s/c---** (Esselman/Brown) to approve the contract for SAILS I Ruston. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.

- SAILS V – Susan Lara reported that this contract is also a renewal, vendored in 1996. It is a specialized residential facility for children ages 12-17. The facility could house up to 5 consumers (5 beds) but is currently serving 4 consumers in a structured living environment. Consumers may display behaviors such as physical aggression, verbal aggression, property destruction, resistiveness, tantrums, self-injurious behavior, AWOL, and have a forensic background. Rate is \$5,379 per month per consumer. Rate is below median rate for a 5 bed facility (6,802.53). Sails' has provided their 15% Administrative Cap/Cost Statement, but has not provided an Independent Audit report or review report, however, vendor reports that this should be done shortly. Susan Lara reported that the committee is recommending this contract for Board approval. Steve Esselman asked what exactly does forensic mean. Duane Law explained that when consumers have a forensic background, it means that the courts are involved due to past incidents with the consumer. **M/s/c---** (Meyer/LaGrand) to approve the contract for SAILS V Marradi. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.

**C. Board Resignation** – Susan Lara reported that on March 21<sup>st</sup> she received a resignation letter from Ashlee O'Brien, Interim Board Secretary. Susan Lara proceeded to read Ashlee's letter. Susan explained that a new Board Secretary is need and members can nominate themselves or nominate a member. Susan explained that nominations should be given to the Nominating Committee for review. Juan Vieyra asked the Board what are the duties of the Board Secretary, as he pointed out that there is a non-member taking the minutes. Susan Lara explained that the Board Secretary takes the minutes for all committee meetings as well as any closed sessions. Susan Lara explained that the non-board member takes the minutes for the Board of Directors meeting so that the whole Board can focus on the business that needs to be taken care of during the meeting. Grace Huerta asked if the Board was looking for members and Susan Lara responded that yes, they are always looking for members and if they know someone who would be interested, they should send in a letter of interest. Jenny Ainsworth asked how many members are on the Nominating Committee and Susan Lara explained that they started with eight but again, due to members leaving or ending of terms, they are now down to three. Specifically, Jenny asked for the names of the members that are on the Nominating Committee and Susan explained that she did not have that information in front of her and she could not recall the names off the top of her head. Susan Lara commented that there is a need for more Board members to join committees.

**D. Developmental Services Support Foundation Board of Trustees** – Susan Lara reported that annually, the Board of Directors has to approve the Board of Trustees for the DSS Foundation. The individuals who will serve as Trustees are as follows:

Jessica Matthews, Board President, Warren Ramay, Treasurer, Sheila Shegos, Secretary, Eric Greenwood, Cynthia Bailey, Scarlet Sabin and Greg Sanders. Susan Lara gave a brief background of each individual. **M/s/c---** (Meyer/LaGrand) to approve the above named individuals to serve as Trustees for the DSS Foundation. (7-0-1) Shawn Kennemer abstained due to not knowing the individuals.

- E. Vendor Presentation: Chateau d' Bakersfield** – Sam Mohan, Danny Castaneda, Leslie Sharp and Karina Diaz from Chateau d' Bakersfield, provided a presentation on the services they provide for consumer with developmental disabilities. Sam Mohan explained how he became involved with the program, the history and what they have accomplished over the years. Sam gave an overview of the different departments that make up Chateau and gave examples of the activities consumers are involved with on a daily basis. Leslie Sharp explained in detail their nursing department discussing the staff they have and what the nursing departments' role is when evaluating consumers for the program. Several questions were asked about qualifications for the program, age they serve and Medi-cal funding. Discussions continued regarding these topics. Susan Lara at the end commented and thanked Sam and his team for coming and presenting to the Board and those in attendance.
- F. Board of Directors Confidentiality Agreement** – Susan Lara reported that she asked Duane to provide samples for Confidentiality Agreements for the Board due to the amount of information of consumer and personnel issues that is shared during meetings. Susan explained that drafts of these agreements were sent out to the Board last week for review. A separate one was drafted for facilitators as well. Shawn Kennemer suggested that the agreement be called Confidentiality Statement instead and throughout the document. Shawn also recommended that a statement be added that references the Whistleblower policy. Duane reported that we would make the necessary changes and send a second draft to the Board for their review. A question was asked in regards to Duane revising the agreement. Susan Lara explained that she asked Duane to facilitate this process because it is helpful for the Board. Susan also clarified that this agreement is merely for protection and not to prevent transparency. Discussions started in regards to transparency and Dana Hutchison commented that the staff would really like a way to communicate directly with the Board of Directors. Susan Lara responded that they would prefer to follow the proper forms of communication but they will look into what can be done. Steve Esselman commented that he would also like to see that the proper forms of communication are followed as he has been receiving anonymous letter to his home which is disturbing to him. After continued discussions in regards to transparency and communication, it was agreed that the agreement would be revised with the recommended changes above.

### **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 \$12.45 million for February services. The current bank balance is \$12.28 million. The purchase of service deficit for KRC is at \$3.2 million while Statewide, the purchase of service deficit is \$220 million. Cash flow remains unchanged as reported last time, with DDS expecting to offset claims beginning in April at around \$.50 on the dollar. For FY 12-13 in March of 2014, KRC received the D-7 contract amendment, which allocated \$1 million in purchase of service monies. KRC's deficit is now down to (\$1.3) million. Currently, we don't have



the Statewide deficit. For FY 11-12 in March of 2014, KRC received the C-12 amendment. \$96 thousand was allocated for purchase of service to pay any late bills. Currently, we don't have the Statewide deficit.

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

- a) President's Report – Susan Lara discussed various items which included topics relating to the Board of Directors and how much they have grown during the last couple of years. She shared how their responsibilities have grown and drastically changed to do more oversight of the regional center. Susan discussed how the Board was given two months notice from the previous C.E.O. and his retirements and shared the process they went through to hire a new C.E.O. Susan shared the vision KRC staff had of the new C.E.O. Susan also explained that their focus is to safeguard KRC's resources, not only financial, but the staff as well. She shared that the Board takes seriously the need to review and develop policies which are needed to provide clear direction and good governance over the operations of KRC with the goal, which is in line with the C.E.O, to keep all communication open as they work towards supporting consumers far into the future. Susan also shared how they have created committees to handle the various duties the Board has to oversee. Lastly, Susan expressed excitement for the future of KRC.
- b) Legislative Report – Duane Law explained that this report was covered in the ARCA report and he had nothing further to discuss.
- c) People First of Kern County Report – No one was present to report but Matthew commented that will run for Chair person of People First.
- d) Area Board Reports – No one was present to report.
- e) Vendor Advisory Committee – Shawn Kennemer reported that they met on Tuesday, March 25<sup>th</sup>. Shawn reported that the meeting was only one hour long and they discussed various issues. They are working on forming a committee to review and update the VAC By-Laws as well as to do training and bring speakers. Shawn reported that the next meeting will be held on Tuesday, May 27<sup>th</sup>.
- f) Executive Committee Report – Susan Lara reported that the Executive Committee met on Thursday, March 27<sup>th</sup> to discuss various items. Susan reported that she informed the committee of Ashlee's resignation due to family obligations. Other items of discussion included the Pension, there were several items discussed such as working towards the 3(38) Fiduciary and to do further review as they move towards oversight of the Pension. They also discussed the meeting that was held by C.E.O. and C.F.O. with the Pension Committee prior to last month's Board meeting and the request of the Union to meet again, which ended with a demand from the Union to have the Pension Committee reinstated. Susan clarified that the committee was not removed by the resolution and Duane sent a response letter to the Union affirming no changes were made to the committee. Now they are waiting for another meeting with the Union to clarify issues. They also discussed the ERISA Attorney, Jeff Chang and next steps as well as having general counsel for the Board of Directors. Other items of discussion included the review of wage scaled for KRC, an anonymous letter received by a Board member and a POS issue concerning dental care. The committee did information sharing and no actions were taken at this time.
- g) Foundation Report – No one was present to report.

- h) Foster Grandparent Progress Report – Susan Hernandez reported that they are coming to the end of the year and they are planning the Foster Grandparent celebration which they will do out of town this year.
- i) Affordable Housing Committee (ASPIRE) – Beth Himelhoch reported that the Board had their first meeting on March 26<sup>th</sup> at 5:30PM. Beth reported that they have six Board members. Beth reported that they discussed the list of officers as well as Board duties. Beth reported that the next meeting will be on April 23<sup>rd</sup> at 5:30PM at the office of K.A.T.C. Beth also inquired about the possibility of have a staff member to serve as a KRC liaison that can attend the Board meetings. Duane Law asked that more details are provided to determine eligibility.
- j) Client Services Report – Susan Hernandez reported that Kern Regional Center is in the process of hiring one Service Coordinator which will be as a contractor role.
- k) KRC Staff Report – Margaret Pyles reported that they are recruiting another part-time (at 19 hours a week) Service Coordinator for the Bishop office. They current have one Service Coordinator working part-time at 24 hours a week and are adding one more to help with the workload. Margaret also reported that we will be having SST interviews on April 17<sup>th</sup>. Margaret also reported that we are also going to have a Service Coordinator which will be as a contractor role starting on April 7<sup>th</sup>. Lastly, Margaret reported that we posted the position internally for Special Projects Manager.
- l) Board Comments – Tracy Brown thanked Susan Lara for being present as today was somewhat heated and she felt that she was taken the brunt of it. Tracy also commented that to the staff it might not seem that the Board is not on their side but they truly care about not only the clients but the staff also. Steve Esselman shared a brief story about his son. Steve explained that his family went to L.A. for a memorial of a family member and explained that his 7 year old son, who is Autistic, was observing the various speakers that day. Steve explained that his son eagerly wanted to go up and speak a few words. His son was able to go up and speak in front of family members about his grandfather. Steve shared that he was very proud of his son for this. Matthew LaGrand commented that a couple of weeks ago he met the Chief of the Bakersfield Police Department and they were able to talk to him and discuss that they are available for any volunteer opportunities. Shawn Kennemer commented that N.A.P.D. offered training for parents and consumers two weeks ago which gave information to them on how to speak with Legislatures. They hope to have training again in about six months and Susan Lara asked that details be provided as the training gets closer. Frank Meyer commented that the State does not do a very good job in funding for dental care for our consumers. Frank shared that he learned the Lerdo facility was getting an upgrade to their facility and the State has not restored funding for our consumers. Frank commented that his will ask the Board of Directors for advocacy to speak to the local legislature about change.
- m) CEO Comments – Duane Law commented that he wanted to share what he shared with KRC staff two years ago in this very room. Duane explained that his intentions and any decisions made by the Board are in the best interest of the staff, the agency as a whole and the consumer KRC serves. Duane explained that he as well as Jon, will not be part of Trustees of the Pension and they were recommended that a 3(38) Fiduciary is considered to join the Board of Directors. Duane explained the experience an individual with such a background would have. Duane also explained that those individuals will not have a conflict of interest. Duane explained that the Board will be moving the Trustee responsibility from Duane and Jon. He also commented that they are looking at the structure of a very complex plan that was adopted in 2002. Duane commented that he is committed to thoughtfully make sure the plan is sustainable. Duane explained that he hopes the staff has seen his commitment during the first two years of his tenure. Duane also explained that prior to accepting the

position, he was aware of what the salaries were of other regional center C.E.O.'s. He explained that the offer that was offered to him was substantially low but accepted the offer. Duane explained that the 990 form explains how Executives are paid and how the salary is determined. Duane also commented that his salary is determined by the Board of Directors and that is up to the Board to determine how the Executive is paid. Duane also apologized if there has been miscommunication amongst staff and Administration.

V. **MOTION TO GO INTO CLOSED SESSION:** M/s/c--- (LaGrand/Brown) to go into Closed Session to address one issue. (8-0-0).

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

VII. **MOTION TO RETURN TO OPEN SESSION:** M/s/c--- (Meyer/LaGrand) to go into Open Session. (8-0-0).

VIII. **RESULTS OF CLOSED SESSION:** It was reported that KRC currently maintains the KRC Money Purchase Pension Plan which is a multiple employer plan with H.E.A.R.T.S. Connection of Kern County as an additional participating employer. H.E.A.R.T.S. has adopted a 401(k) profit sharing plan and had indicated to KRC that they will no longer be a participating employer in the Plan and has requested the transfer of its portion of the Plan assets to the 401(k) Plan. The MP Plan currently provides that forfeitures may be used to reinstate the accounts of rehired participants or to pay administrative expenses. The 2012 restatement, for some reason, did not include the option to allocate forfeitures to participants as under the prior Plan document. The Board of Directors has been presented with an amendment to the Plan to allow the annual allocation of forfeitures to participants eligible for an allocation of employer contributions in the ratio that each such participant's compensation bears to all participants' compensation. The Amendment also provides for an interim forfeiture allocation prior to the cessation of participation of a participating employer under the Plan and that if the forfeiture allocation causes the annual additions to any participant's account to exceed the maximum allowed under Internal Revenue Code section 415, such excess shall be corrected in accordance with the requirements of the Employee Plans Compliance Resolution System as described in Revenue Procedure 2013-12 and any subsequent guidance. The Board of Directors has determined that the adoption of the Amendment is in the best interest of the KRC and its employees and approved the adoption of the Amendment. The proper officers of KRC directed to execute the Amendment and to perform any additional tasks as may be necessary or required to implement the foregoing resolution.

IX. **Adjournment:** M/s/c--- (Esselman/Brown) to adjourn the meeting. (8-0-0).

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Susan Lara, KRC Board President

## ACTION LOG

April 1, 2014

1. **M/s/c---** (Esselman/Meyer) to approve the agenda with the following additions: Item II. F. Discussion of Board of Directors Confidentiality Agreement. (8-0-0).
2. **M/s/c---** (Meyer/Mason) to approve the minutes with the following correction: Page 4 under Reports: Client Services Report: it should read Susan Hernandez not Susan Lara. (7-0-1) Steve Esselman abstained from voting due to not being present during March's Board meeting.
3. **M/s/c---** (Meyer/LaGrand) to approve the contract for Mono County Office of Education. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
4. **M/s/c---** (Esselman/Brown) to approve the contract for SAILS I Ruston. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
5. **M/s/c---** (Meyer/LaGrand) to approve the contract for SAILS V Marradi. (7-0-1) Shawn Kennemer abstained from casting his vote due to being a vendor with KRC.
6. **M/s/c---** (Meyer/LaGrand) to approve the above named individuals to serve as Trustees for the DSS Foundation. (7-0-1) Shawn Kennemer abstained due to not knowing the individuals.
7. **M/s/c---** (LaGrand/Brown) to go into Closed Session to address one issue. (8-0-0).
8. **M/s/c---** (Meyer/LaGrand) to go into Open Session. (8-0-0).
9. **M/s/c---** (Esselman/Brown) to adjourn the meeting. (8-0-0).