

Audit / Finance Committee Meeting Minutes

Kern Regional Center

January 21, 2015

4:30pm

Present: Susan Lara - President
Ismael Romero - Treasurer (by phone)
Jeremy Shumaker
KRC Staff: Cherylle Mallinson, Director of CSD

Absent: Rosita Barron
Tracy Brown

Meeting began at 5:15pm.

Financial Report: CFO Jon Gusman is not able to attend due to Jury Duty. Financial reports were given to the committee for review.

Contracts:

Committee met with Director of Community Services Department, Cherylle Mallinson to go over very detailed packets and supportive data for each vendor and contract.

Contracts for Transportation services:

- 1) **Kern Adult Program – Transportation H62954 – Transportation Additional Component.** This is a 3 year contract from 7/1/14 – 6/30/17. KAP transports 97 adult consumers to and from their day program. They have been vendored since 1994. This is a negotiated rate of \$39.20 per vehicle service hour, rate was set prior to 7/1/2008 and rates are still frozen. Vendor is in good standing with KRC and has submitted required documents including cost statement and engagement letter from their CPA for their independent audit review. Vendor reports loss.

Motion to recommend contract for Board approval (Shumaker / Romero)

- 2) **Kern County Autism Center Transportation HK2629 – Transportation Additional Component.** This is a 3 year contract from 7/1/14 – 6/30/17. They transport approximately 35 adult consumers serving Bakersfield, Lamont and Arvin to and from their day program. They have been vendored since 1992. This is a negotiated rate of \$60.34 per vehicle service hour, rate was set prior to 7/1/2008 and rates are still frozen. Vendor is in good standing with KRC and has submitted required documents including cost statement and independent audit report. Vendor reports a loss.

Motion to recommend contract for Board approval (Shumaker / Romero)

- 3) **Desert Area Resources and Training Transportation HK2631 – Transportation Additional Component.** This is a 3 year contract from 7/1/14 – 6/30/17. They transport 52 adult consumers for the supported employment program (rest stops, commissary, thrift shop, shredding). They have been vendored since before 2000. Their rate was set up as \$2.07 per route mile. It has been recommended from Community Services Department to apply for Health and Safety Waiver Exemption to assist with vendor's

reported loss. Vendor is in good standing with KRC and has submitted required documents including cost statement and Independent Audit Report.

Motion to recommend contract for Board approval (Shumaker / Romero)

- 4) **Desert Area Resources and Training Transportation HK2624 – Transportation Additional Component.** This is a 3 year contract from 7/1/14 – 6/30/17. They currently transport 15 adult consumers for the Work Activity Program. They have been vendored since before 2000. This is a negotiated rate of \$60.34 per vehicle service hour, rate was set prior to 7/1/2008 and rates are still frozen. Vendor is in good standing with KRC and has submitted required documents including cost statement and independent audit report. Vendor reports a loss. It has been recommended from the Community Services Department to apply for Health and Safety Waiver Exemption to assist with vendor's reported loss.

Motion to recommend contract for Board approval (Shumaker / Romero)

Contracts for Community Integration:

- 5) **Kern Adult Program PK0655 – Community Integration Training / Individualized Day Program.** KAP developed this program to serve a single consumer, 54 year old who had failed in traditional day programming. The consumer is reported to have difficulty being around groups and peers. He is reported by his service coordinator to act violently towards peers, staff and property while in traditional programming. The focus of this program is community integration and the consumer is learning to safely navigate throughout the community. 1:1 staff assists the consumer in utilizing community resources such as stores to complete personal need shopping, along with public resources such as libraries and parks. Consumer has been served in this program since 7/2000 and the vendor provides transportation for all activities. Service coordinator recommends consumer stay in this programming since he is not a candidate for traditional day programming options. CSD reports client is being well served. Contract is 24 months from 7/1/2014 – 6/30/2016 and the rate is a negotiated rate of \$24.60 an hour. Vendor is in good standing with KRC and has submitted required documents including cost statement and an engagement letter from their CPA for the independent audit report.

Motion to recommend contract for Board approval (Romero / Shumaker)

- 6) **Kern Adult Program PK1546 - Community Integration Training / Individualized Day Program.** KAP developed this program to serve a single consumer, 47 years old with 2:1 staffing ratio. The consumer has difficulties participating in traditional day programming. The client has a history of institutional placement, she was discharged from a Developmental Center in 2001. The service coordinator reports that the client continues to be psychiatrically unstable even with close psychiatric supervision and medication adjustments. The consumer is prone to violence and is frequently non-compliant. The focus of this program is community integration and the consumer receives assistance from staff on medical/psychiatric needs, personal care needs and utilizes community resources such as stores to complete personal shopping, and public resources such as libraries and parks. CSD reports client is being well served. Contract is 24 months from 7/1/2014 – 6/30/2016 and the rate is a negotiated rate prior to 2008 of \$374.42 a day. Vendor also provides transportation for all activities. Vendor is in good

standing with KRC and has submitted required documentation including cost statement and an engagement letter from their CPA for the independent audit report.

Motion to recommend contract for Board approval (Romero / Shumaker)

- 7) **Kern Adult Program PK4572 – Community Integration Training / Individualized Day Program.** KAP developed this program to serve a single consumer, 62 year old who had failed in traditional day programming. The program operates a 1:1 staffing ratio as consumer is reported to be disruptive in traditional day programming settings. The service coordinator reports that she frequently engages in aggressive behavior towards staff. The client is also reported to engage in property destruction, and screams frequently. Programming is community based and focuses on behavioral management, self-help skills, social development and cognitive training. KAP utilizes public resources such as libraries, retail establishments and parks. Consumer has been served in this program since 4/1/2008 and the vendor provides transportation for all activities. Service coordinator recommends consumer stay in this programming since she is not a candidate for traditional day programming options. CSD reports client is being well served. Contract is 24 months from 7/1/2014 – 6/30/2016 and the rate is a negotiated rate of \$350.00 per day. Vendor is in good standing with KRC and has submitted required documents including cost statement and an engagement letter from their CPA for the independent audit report.

Motion to recommend contract for Board approval (Shumaker / Romero)

- 8) **BARC Access Now PK5126 – Community Integration Training – Look Alike Day Program – Access Now Program.** Vendored since 6/1/2009. BARC Access Now is a look alike day program. Currently 102 coed consumers at least 18 years of age are participating in this program. The goal is to provide ongoing training in a community based program that emphasizes community activities and critical skills training. Services focus on self-advocacy, communication, social communication, community awareness and mobility training, and personal care and self-awareness. Long term goal of program is for consumers to gain the social and pre-vocational skills necessary to graduate to a vocational program. Contract is 24 months from 7/1/2014 – 6/30/2016. This is a negotiated rate, but is below the median rate of \$74.01 per day (due to minimum wage adjustment). Vendor is in good standing with KRC and has submitted required documents such as cost statement and independent audit report. CSD is not in agreement with vendor's profit margin of 41%.

Motion to table this contract for further communications with CSD and vendor (Shumaker / Romero)

Contracts for Specialized Residential Facilities:

- 9) **Sails Bakersfield, INC (Sails Sapphire) PK6244 – Specialized Residential Facility Agreement.** Service code 113. Original vendorization for this home is 7/24/97. This is a change of location only. It was given a new vendor number and therefore a new contract. Same rate, there has been not changes, only location and vendor number.

Motion to recommend contract for Board approval (Shumaker / Romero)

10) **Valle Bonita Home (Valley Residential Services) Vendor # TBD.** This is a shell of a contract for start up of a residential facility. Vendor is still in the process of licensing for a 4 client/bed facility. Rate will be \$8000 per client per month for the first year, then will go to \$7,870.38 per client per month there afterward.

Motion to recommend for Board approval this contract in concept once licensing and vendorization process is completed at the proposed rate. (Shumaker / Romero)

Meeting Adjourned at 6:08pm

Susan Lara
Chair, Audit / Finance Committee