

**Far Northern Coordinating Council on Developmental
Disabilities dba Far Northern Regional Center
Minutes**

Regular Meeting
Friday, March 24, 2023
9:15 a.m.
Gaia Hotel / Zoom
Minutes

- 1. Call to Order:** 9:20 AM by Chair Cali McKinzie

- 2. Roll Call:**
 - a. Present: Cali McKinzie, Deborah Anderson, Lori Childres, Kim Leeseman, Daniel Strauss, William Moore, Terri M., Andreas Economopoulos, Araceli Garcia, Joseph Cullis, Ginger Moyles, Selene Mercado, Adrian Hugo, Christina Johnson, Patricia McCarthy, Edna Winkle

 - b. Absent: Timothy Howard, Josh Flom

- 3. Public Input/Open Forum** Introduction of guests: FNRC Staff Mike Mintline, Tracy Duarte, Keith French, Larry Withers, Melinda Roberts, Audra Feedback, Renee Bauer (SCDD), James Ford (DDS), Cindi Freshour, Cynthia Presidio

No public input

- 4. Approval of Agenda March 24, 2023**
 - a. Motion and second Daniel Strauss and Edna Winkle. No discussion, Motion Passed

- 5. Approval of Minutes from January 27, 2023**
 - a. No Corrections
 - b. Discussion: Christina: Requested an explanation of the item on page 20b Action Item #1 Community Services. Tracy Duarte provided this explanation.
 - i. Motion and second Adrian Hugo and Edna Winkle No further discussion, Motion Passed.

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6. Report from Chairperson, Cali McKinzie

- a. Introduced the New Board Member: William Moore who will be representing People First.

7. Management Reports

a) Financial Report:

- i. Auditors report: Mike gave a brief explanation as to why audits are done. The auditors report will now be submitted to the board prior to approval. Scott Seamands from Lindquist, Von Husen and Joyce independent auditors presented the report as follows:

In our opinion the financial statements present fairly, in all material respects, the financial position of Far Northern Coordinating Council on Developmental Disabilities as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Brief discussion regarding assets-Due from State-unfunded projected benefit obligation (Note 4)of the report this is referring to CalPERS-future benefits

Consumer accounts are growing; therefore revenue from DDS is also increasing. Net assets, end of year Without Donor Restrictions \$18,246; with Donor Restrictions \$103,018 Total \$121,264.

Mr. Seamands gave a brief explanation of Functional Expenses, cash flow and generally accepted notes to Financial Statements Page 43-49 of the report.

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ASC 715 defines the Projected Benefit Obligation (PBO) as the present value of accrued benefits based on service as of the valuation date and reflecting a participant’s projected final pay. The PBO and plan assets are as follows, as of June 30, 2022:

PBO	\$ 95,345,210
Plan Assets	<u>(63,334,150)</u>
Unfunded PBO	\$ 32,011,060 – unfunded benefits

State of California Contract- Contracts are open for the current and two prior fiscal years as follows:

Fiscal Year Ended	Contract Amount	Cumulative Expenses	Unexpended Balance
June 30, 2022	\$236,301,252	\$206,165,627	30,135,625
June 30, 2021	\$216,007,328	\$196,323,168	19,684,160
June 30, 2020	\$200,475,996	\$183,254,275	17,221,721

The Auditor’s Responsibilities for the Audit Compliance discussed Page 65

- ii. POS-Open POS Contract year summary presented by Mike Mintline, Chief Financial Officer-
No issues
More than enough funds for this year and the two previous years.
Currently recruiting for three accounting assistants. Day programs and transportation are slowly coming back after the pandemic.
- iii. OPS-Presented by Audra Feeback, Controller
Far Northern Regional Center has hired 16 people this year so OPS expenses have increased. Office spaces have increased in Chico and Redding. Mike gave a brief explanation about the Grant Activity.

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*Salaries and benefits: Increase \$3,141,209 /15.9%
Increase primarily due to the addition of new service coordinators, supervisors and support to comply with the new caseload ratio requirements. 2% annual increases given to all employees during Union negotiations

*Facilities – decrease (161,621) /(9.2%)
Full year rent impact of new space in Chico and Redding. Redding increase \$47,700/Chico increase \$39,900. Mt Shasta rate increase resulting in \$6,500 increase. Decrease due to prior year leasehold improvements to office space at 1367 E. Lassen Avenue, Chico and Redding (\$331,912). New space to accommodate increased staffing levels. The new space expected to have some unassigned offices for persons who may spend some of their time working remotely.

*Contracts/Software – Increase \$118,589/ 31.1%
Licensing for increasing number of employees. Software for virtual computer connections, prior software no longer supported

*Travel – Increase \$315,668 /235.0%
Travel reaching pre-pandemic levels. Increased number of Service Coordinators traveling

*Legal/Consulting/Audit – Increase \$81,161 /33.4%
Minimal increase in audit fees with the new firm contract. Prior Year SDP Funding of \$48,960 not yet paid

*IT Equipment – Increase \$137,504 /75.5%
4 server replacements to support Nutanix. Planned replacement of iPads. Complete roll out of double monitors. New phone system

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*Interest Revenue/ICF SPA Admin/Other-
Increase \$431,500/100+
Rate have increased, investing excess cash in short-term
Treasury Bills.

- iv. Action Item #1-Independent Auditors final draft
Action Requested: Regional Center management has reviewed and discussed the audit with Lindquist, Von Husen, and Joyce and recommends the Board of Directors accept the audit for the fiscal year ending June 30, 2022.
 - v. Action Item #3-Committed/Uncommitted Loan
Action Requested: It is recommended the Board of Directors authorize the Chief Financial Officer and Executive Director to sign the Required Documents, which will enable the Regional Center to borrow up to \$21.0 million using three-month committed and nine-month uncommitted loans. Interest charged at the banks reference rate (currently 7.75%) on any amounts loaned. Due to the merger between MUFG Union Bank and US Bank, the FY 23-24 documents for the line of credit will be completed and processed with US Bank.
 - vi. Other: The Board Secretary is unavailable to sign the bank loan, therefore the Chair will sign.
- b. **Community Services Report:** Tracy Duarte-Associate Director, Community Services
- i. Update:
*Update on Request for Proposal (RFP) due to the closure of the Opportunity Center. No one provider proposed to provide all of the previous services.

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However, the three providers will be providing different services; this will allow for more services to be offered. The Community Services Department is striving to make this transition as painless as possible. There is currently no timeline, however the Opportunity Center is closing on June 30, 2023.

c. **Client Services Report:** Larry Withers, Associate Director, Client Services, South

i. Update-

*Far Northern Regional Center is now becoming a mid-size regional center. Staff and consumer populations are both growing.

*The appeals process has changed. This was done through legislation to become more family friendly. Regional centers are no longer allowed to have attorneys present at the Fair Hearing if the family does not have an attorney as well.

*Mutual consent is now being utilized. All consents must be documented.

*Self-Determination: It has become apparent that not every service coordinator can be a self-determination coordinator. Therefore, small numbers of specially trained SC's will take over these caseloads. There are now four caseloads in both Redding and Chico. These caseloads involve much more financial management than other caseloads.

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8. State Council on Developmental Disabilities, North State Office

Report: Renee Bauer, Regional Manager-Presented by Tina Rezsler

a. Report – SCDD updates March 2023

*State Council on Development Disabilities provides grant opportunities each year to community based organizations. Next cycle will be Grant Cycle 46, for 2024. Applications may be completed and submitted at <https://cascdd.gvgrantcloud.com>.

*Statewide focus on streamlining Self-Determination. Orientations are offered through SCDD

*National Core Indicator Project, in-person cycle is ongoing through June 2023. Goal of 400 randomly selected regional center consumers to be interviewed on: employment, rights, service planning, community inclusion, choice, and health and safety.

*SCDD North State wants to hear from you. What topics would you like to see trainings on? Contact renee.bauer@scdd.ca.gov or tina.reszler@scdd.ca.gov with your thoughts.

*Personal Protective Equipment (PPE): North State Office has excess quantity. If interested, please contact the main office at: (530) 895-4027

9. FNRC Board Committee Reports and Action Items:

a. Finance Committee, Lori Childres, Chair:

- i. Discussed the Independent Audit Report-presented by Scott Seamands independent auditor. Reported no findings clean audit.

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- ii. Action Item #1: Independent Audit: Recommendations the Board of Directors accept the audit for the fiscal year ending June 30, 2022. Motion and second by Committee and Daniel Strauss, no discussion, Motion Passed.
 - iii. Action Item #2: Bravo Program-Action requested: The Board approve contract PS-2627 with Rodney Zikan dba Bravo Program (HF0182) for Transportation Services effective April 1, 2023 through March 31, 2024 for a total maximum contract amount of \$256,597.20. Motion and second by Committee and Andreas Economopoulos, no discussion, Motion passed.
 - iv. Action Item #3: Committed/uncommitted Loan Recommendation: The Board of Directors authorize the Chief Financial Officer and Executive Director to sign the Required Documents, which will enable the Regional Center to borrow up to \$21.0 million using three-month committed and nine-month uncommitted loans. Interest charged at the banks reference rate (currently 7.75%) on any amounts loaned. Due to the merger between MUFG Union Bank and US Bank, the FY 23-24 documents for the line of credit will be completed and processed with US Bank. Motion and second by Committee and Edna Winkle, no discussion, Motion passed.
- b. Nominating Committee- Cali McKinzie
- i. 2023-2024 Slate of Officers: As all officers have two-year stint, this will remain as is. However, should Debbie Anderson or Timothy Howard not decide to continue, Joseph Cullis will step in. To be voted on at the Annual Meeting in June.

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- c. Consumer Committee, Adrian Hugo, Chair
 - i. Moment of silence for all those who have lost their lives this year.
 - ii. Discussion on the possibility of a Newsletter
 - iii. Melissa discussed the packet and Action items.
- d. SPAC Report, Josh Flom; not in attendance

*Update: The SPAC committee met on Wednesday. Acknowledging the HCBS providers. All applications were completed by March 1st,

*Other Items: Regional Center updates, and other provider reports.

**10. Association of Regional Center Agencies (ARCA): Daniel Strauss,
Representative**

*ARCA represents California's network of 21 regional centers- over 400,000 people with developmental disabilities.

*Achieve "the intent and mandate of the Lanterman Developmental Disabilities Services Act in providing community-based services that enable individuals with developmental disabilities to achieve their full potential and highest level of self sufficiency."

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*Regional Center Performance Measures

a: DDS/Regional Center Performance Measures

- Early Start-identification and access-minimize impact of developmental delays
- Competitive Integrated Employment
- Equity and Cultural Competency-linguistic diversity, language access, service coordination
- Individual & Family Experience and Satisfaction with Regional Center Services
- Person –Centered Services Planning
- Service Coordination and Regional Center Operations

b: Modernizing the Core Staffing Formula-ARCA Priority

- California allocates funding for Regional Center operations through the Core Staffing Formula-from the 1990s
- Current needs underfunded. Regional Center caseload ratios over limits
- Modernizing formula will enhance equity and protect federal funding
- Stabilizing the caseload ratios will let service coordinators better serve consumers and their families.
- \$102M to fully fund 1:40 caseload ratio for ages 0-5

c: ARCA Academy

- Join the ARCA Academy training event
- Learn more about the roles and responsibilities of Board members
- Saturday, April 29th at Alta California Regional Center, Sacramento
- The Board would like to attend.

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11. Report from Executive Director, Melissa Gruhler

- a.** Far Northern Regional Center growth
 - i. Currently serving 9,567 individuals
 - a) 1,000 more individuals than we were serving 2/2022
 - b) 1,600 more individuals than we were serving 2019
 - ii. The majority of growth is in Butte County
 - iii. Funding was received to hire new service coordinators; however this still does not address the caseload ratios.
 - iv. We are not able to meet the 1 Service Coordinator to 66 individuals supported ratio for units over 6 years of age requirement. At this time we are at 1:76.
 - v. For our Children's unit the requirement is 1:40 however our Service Coordinators are carrying 1:58.
 - vi. Some of our current caseloads are over 80. We hope to receive funding this fiscal year to help correct these caseload ratios
 - vii. New Associate Director of Community Services-Tracy Duarte
 - viii. The need for training has been expressed, hence a new training coordinator has been hired.
 - ix. The Medicaid Waiver ratios are improving

- b.** Regional Center Performance Measurements –March 2023
 - i. Early Start
 - ii. Equity and Cultural Competency
Updating SANDIS information
 - iii. Person-Centered Planning
 - iv. Service Coordination and Regional Center Operations

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c. Budget Hearings

As reported in January, the 2023/2024 the proposed budget was released. The next step is reviewing the budget at the budget hearings.

At the hearing's agencies are called to justify their proposed budgets before technical panels; Hearings provide a forum where facts and opinions can be presented from witnesses with varied backgrounds.

Melissa reported she had the opportunity to attend and give testimony specific to the rollout of subminimum wage. The next hearing specific to topics heard in February will be April 26th. More information will be coming if any board member wants to participate.

d. Self-Determination Program

- i. Far Northern Regional Center has done well regarding this program. We currently have some individuals in their 4th year of the program.
- ii. The SDP Financial Management agencies are struggling with the demands of the program.
 - a) One of the FMS only accepts referrals one time per month. Space is very limited making it very hard to get the referral in at the exact time
 - b) One FMS provider has closed their northern office and moved south. This restructuring has caused additional delays in communication and completion of payments. In addition, they have implemented required paperwork causing additional workload issues within our departments.

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- c) Developing relationships with a newly vendored FMS however they seem to be having the same issues
- d) Vendorizing a fourth FMS as an option for families within our area. However struggling with structural change including language barriers and payment issues.

12. Announcements, Reports, Questions and Answers, Summary

Comments: All Board Members

- a. Terri M. Reported on People First of Red Bluff meeting held March 14, 2023. Also gave a report for the TCCC next meeting March 21, 2023.
- b. Kim Leeseman: People First of California President- June 24th there will be a zoom conference. Registration is online. Encouraged everyone to join the meeting and People First.
- c. Adrian Hugo-Reminder of the newsletter that will educate people about what the regional centers and the board are all about.
- d. Ginger Moyles: The high-school rodeo kids are willing to reach consumers about roping, riding, and rodeo events. This is held in January each year.
- e. Andreas Economopoulos: Spoke to the board regarding a new computer and shared a sight that helps those with sight issues.

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13. Transition to Executive (Closed) Session, W & I 4663 (a)

a: None

14. Next Meeting: June 22 and 23, 2023, Gaia Hotel Anderson, CA

15. Adjournment: Motion and second by Kim Leeseman and Andreas Economopoulos, no discussion, Motion passed.