

Board Meeting Minutes

July 28, 2016, 1:30 p.m.

All Purpose Room

Board Chair: Sheriff Jeff Dawsy

Location: Kids Central– All Purpose Room

Present: Sheriff Jeff Dawsy, Stephen Spivey, Rebecca Schatt, Cyrus Robinson, John Cooper, Bobby James, Marisa Thames, Gail Burry, John Aitken, Barbara Myshrall (minutes)

Board Members not Present: Mike Jordan, Marshall Schaap, Kevin Sheilley, Rodney Rocker, Shalonda McHenry-Sims, Matthew Ostrander

Guests: Thomas Ranew

Call to order: 1:40 pm

Quorum: YES

I. Welcome and Introductions

Chairman's Remarks

Sheriff Dawsy

The Sheriff had no comments and moved on to approval of the minutes.

Sheriff Dawsy welcomed the board.

a) Approval of Board Minutes from May

The minutes were reviewed and Matt Ostrander made a motion to approve the minutes as submitted. Motion seconded by Steve Spivey, all in favor and unanimously approved.

b) Board Member Resignation

Dick Hancock resigned from the board of directors. Barbara will generate a letter from the Chairman to thank him for his service. John Cooper commented that Dick was instrumental with obtaining the funding for the equine therapy.

II. President's Report

John Cooper

a) Lake/Sumter transition

John reported that we had a change in providers. He mentioned it at the retreat in May that CHS had a couple issues with the contract that were non-negotiable. We were a little surprised when they gave their 30-days-notice. John believes that is a deficiency in our contract and it has since been corrected. There is a provision for an emergent award and after extensive discussion with the COO and CFO, we decided to present an offer to LifeStream. Jon Cherry met with his leadership team and we offered him a transition as a package deal. They have come to the table multiple times with us and discussed transitioning employees and have been very flexible with the CHS staff who are moving over to LifeStream.

The lease that CHS had in Sumter County is the lease that we will take over at a reduced rate. This will allow us to get some space downstairs which will include the Resource Center which they are able to build-out inside the building. That transition will take place on August 1. Steve Lovely has been instrumental in staying on top of the transition.

b) CBC Insurance Captive

We had our first meeting of the board of directors. If we can get thru the first 2 years without a claim, we stand a very good chance of being successful. John believes that growth in the first 2 years would be acceptable. We are going to register as a company in the US. They are recommending one meeting in the Caymans so at some point in the next year we anticipate bringing all the members together in the Bahamas.

c) Summary of FCC Conference

John wanted to highlight that we submitted a couple of nominations for awards. Dr. Jordan was submitted for a Lifetime Achievement Award and won the award. We showed the video of the award to Dr. Jordan.

d) Out of Home Care increase

John reported that he shared these data and charts at the annual meeting. We peaked in April and the increase is really impacting our budget. We are going to spend all of our carry-forward. We have been meeting with DCF and nothing has jumped out at us to identify the reason for the increase. We are seeing an increase in sibling groups. There is also an upward trend in substance abuse of heroine which we believe is a result of the crackdown on prescription pain pills. Many of the Department staff has less than 2 years of experience and the leadership has gone through many changes. There are pockets around the state that are experiencing what Kids Central is going through. We currently have over 1,600 children in care compared to 1,000 from a year ago. We still have the high-end kids that cost us \$20-\$30k a month. These kids cost \$300-\$400 a day for high end placements.

John reported that historically we operated in the red and what pulled us out was new appropriations. Kids Central had less money than we do today and had more in foster care. Steve Spivey said that there were 4,000 being served in 2004 when he was on the bench.

e) DCF Legislative Budget Request (LBR)

John reported that this year DCF asked us to participate on a call prior to the LBR. The Secretary wants to submit the funding formula that we prepared last year to the legislature. What we had worked on was based on entries. If that were to go into effect, we will get penalized because of the timing. It would be a better rule going forward but would have unintended consequences for us. Steve said that this would still be a good thing. John said that the FCC has been working on an adequacy funding model based on the true cost or the adequacy of the system of care.

f) Building move

Our target date to move is August 19. We've moved some of the servers and phone switches over. We are awaiting the finalized construction.

III. Operations Report

Shalonda McHenry-Sims

The critical few were not available for this report and Shalonda is on vacation.

IV. Financial Report

Bobby James

a) Finance Committee Report

Bobby James discussed that there were 2 meetings of the Finance Committee in June. The first meeting looked at the initial draft of the budget. The increase in number of kids in care is creating an uncertainty of what to expect so we prepared the budget with the worst case scenario. John said that we have a total deficit of \$2M. We talked about the actions to avoid a deficit that large

and are concentrating on 3 areas. John reviewed the measures we took and discussed the balanced scorecards that were reviewed on the first call. John Cooper reminded the board that one of the sticking points we were negotiating with CHS was a full 1/12 of their contract payment every month. They wanted to draw down the full amount in spite of having open positions. There is absolutely no way for them to have a loss and would actually incentivize them to have vacancies. John Aitken said that the results of Kids Central's balanced scorecard was 78 out of 90 points.

John Aitken summarized the proposed budget and narrative. John Cooper said that although we have not cut any positions, we have spread out the vacant positions to fill them based upon need. John said he put CMAs on notice that if we see spending trends go higher, we could add some amendments to the existing contracts which would increase caseloads and eliminate positions.

Steve Spivey said that this out of home care situation is a significant concern we need to do work on right away. It is not enough to have a zero balanced budget because what that ignores is that we put in \$1.7M from last year and we will have to cut expenses to meet the deficit. He also said that the performance of our service providers in meeting their goals was poor. He was concerned by that. The Centers had a very dismal year. Their points were somewhere in the 20% range. We are doing a good job internally, but our providers are not performing satisfactorily. Steve said that to his recollection, this is the worst performance across the board of the providers that he has ever seen. John Cooper said that we kept raising the bar every year and we need to look at setting those targets in a better range. He said he was also disappointed that some very easily attained measures were left on the table.

Steve Spivey made a motion to accept the budget as submitted which was seconded by Matt Ostrander, all in favor and unanimously approved.

V. Committees

Audit Committee
No meeting.

G. Burry

Board Development Committee
Nothing to report.

B. Schatt

Community Development Committee
Nothing to report. Kevin Sheilley not present and the meeting today was canceled.

K. Sheilley

Executive Committee
We did not have a quorum and canceled the last meeting.

J. Dawsy

VI. Media Clips

John Cooper pointed out Brad Roger's article on Dr. Jordan's award.

VII. Unfinished Business / New Business

John Cooper reported that he had an opportunity to present to the Faith Based Community and showing them our messaging and branding and how we have used FBC to help recruit. John said that the visits to our Foster Parent pages tripled in June. John said that the additional money we have spent with Google and social media has paid off.

Gail mentioned that our meetings for Executive and Finance is scheduled for the day before the move to Wildwood. Gail offered a suggestion that she could get the meeting room in Leesburg and also has room at her house.

Motion to adjourn at 2:40 pm made by Bobby James, seconded by Steve Spivey, all in favor.