

Board of Directors Meeting Minutes

July 27, 2023, 12:30 pm

Meeting Date: July 27, 2023

Chairman: Lance Kinney

Location: Kids Central Board Room

Present: John Cooper, John Aitken, Paula Mealy (minutes), Anthony Piarulli, Diana Brown, Lance Kinney, Mark Imes, Kevin McDonald, Mike Jordan, Brad Rodgers, Gordon Johnson, Stephen Spivey

Not Present: Matt Bartoli (Board Member), Shalonda McHenry Sims (COO), Rebecca Schatt, Mark Wickham

Guests: Veraunda Jackson – (KCI Chief Legal Officer), Phoebe Wehlen (DCF – via phone), Jessica Gilbert (Director, Community Affairs)

Quorum: yes

Call to order July 27, 2023, at 12: 30 pm

I. Chairman's Remarks - John recognized Mike Jordan's chairmanship and thanked him for his years of service. A thank-you gift of custom Golf Head covers has been ordered but are not yet in.

- a) Approval of May Minutes – Mark moved to approve. Anthony seconded the motion. All were in favor and unanimously approved.
- b) Board Education – HR – John A. started off the presentation, introducing HR Director Melissa Devore and summarized her background. Melissa explained how COVID decimated our staff, including HR. Melissa joined KCI as a SR HR Specialist but ended up becoming HR Director in very short order. For many months she was the only HR person on staff, until she was able to rebuild the department. She emphasized our greatest recruiting needs, which are Family Care Managers, Family Preservation positions, and Foster Parent Licensing Specialists. She developed specific messaging to recruit, emphasizing our mission, competitive compensation plans and benefits, as well as selling work-life balance. HR also posted positions on external job boards that were directly linked to KCI website, utilized social media, job fairs, community events and even attended High School career days. Additionally, HR worked directly with Indeed to get our name to appear higher in search results. Our management teams were trained in interviewing skills, to attract/recognize a better candidate. The biggest challenge is case management due to the nature of the tough work involved. For that reason, we stay ahead of the need by continuously recruiting. We are now fully staffed in Independent Living and in Placement - the 2 toughest positions. As for retention, we analyzed why people stay in a job, and found that a desire to make a meaningful contribution, the company's Mission, Culture of the organization, leadership, compensation, and recognition round off the top 6 reasons. Challenges include difficult, stressful work, labor shortages, and remote work popularity in other jobs, as well as a need to link performance to recognition and compensation. The candidate selection pool is thin, but we need to hire the right person, not just a warm body. We are also working to link performance evaluations to recognition and compensation. In the Retention arena, we are about to implement a formal hybrid workplace policy, are revising and reimplementing a formal recognition program, creating an emerging leader development strategy, and are researching new performance evaluation tools to focus on development and recognition.
- c) Board Member Update – Discussion on proposed new members Carly Sales and Elizabeth Thompson. Following discussion Steve moved to add both as new members. Dianna seconded the motion. All were in favor and unanimously approved.

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- d) It was noted that the CEO Performance Review was delivered to John Cooper by outgoing Chairman Mike Jordan on June 15, 2023.

II. President's Report – John shared our new annual report which is now in a more condensed and easily readable format per Mike's suggestion. Each board member was given several copies to give out to the public as they see fit.

- a) June Performance Scores – John highlighted the scores that are the most challenging. M3 (Permanency in 12 months), continues to be one of our greatest struggles, but the significant drop however was due to a zero score for LifeStream. He also noted that at the state level, the score is only 28.8, significantly below the target of 41. We recognize the need to improve in this area. Measure 9 (Visits every 30 days) is one we have historically done very well in, but the staffing issues that have plagued us along with the transition from LifeStream to Lutheran services has resulted in not enough case managers to handle all the needed visits. Our expectation is this number will quickly improve now that Lutheran Services is staffed. Finally, Measure 13 (Percent of Sibling groups Kept together), is another measure where we have performed well in the past. Again, even at the state level, this measure has not done well recently. Large sibling groups and difficult behaviors have contributed to recent challenges.
- b) Lutheran Services Transition – John was pleased to report that the transition went very smoothly, through the entire process. Mike Carol, and his second in charge Lisa Mayrose hired more people in 45 days than LifeStream did in 6 months. They only have 7 vacancies remaining. While their new Lake County office is being built, they are working out of our Wildwood location. They will have a significant challenge building confidence back within the community, but they are ready to take it on. They did hire 10 case managers from the existing LifeStream staff. LifeStream kept many of the existing staff, moving them to other areas of the business. Gordon asked for Lutheran management to be at our next meeting in September. John agreed that it would be beneficial to introduce their team to the board.
- c) Family Resource Centers – They were started many years ago, (2006), appeared to be a good idea at the time, but FFPSA eliminated the 4E waiver funds. The Ocala building is a money pit, needing many repairs. KCI cannot spend money on property we don't own. We are not getting any benefit from the investment we have there (very few families using it), and DCF is now doing their own prevention work. John suggests keeping the Lake Resource Center, which is getting lots of use. Mike and other board members want KCI to meet with Ocala city representatives who own the building to discuss it further. We aren't getting traffic there or in the Hernando location, and therefore we are not having an impact. John will initiate discussion with the community.
- d) Hybrid Work Policy - John discussed the draft policy. It all started to fill a need during COVID, but the desire to work from home did not lessen once COVID subsided, and to remain competitive in the job market, we need to make this permanently available to most employees (for example, front desk staff cannot work remotely). After discussion, Mark motioned to approve the new policy, Kevin seconded the motion. All were in favor and unanimously approved.
- e) Permanency Data Review – John discussed a study that was recently done to identify barriers to achieving permanency. He wanted to make sure that the assumptions we were making as to the cause of the problem, were accurate. Since 2020, KCI 's performance in this area has declined, but so has the performance at the state level (until last quarter, in which the state performance improved slightly). Looking at the data by county, Lake and

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Marion had the highest number of cases with children in care more than 12 months. Also, the data shows that 76% of the children were less than 10 years old, and 74% were assigned to the same 9 workers in the units. Continuing to break down the data we found that 75 children had been assigned to their primary case manager for less than 7.52 months. Further analysis of those cases found that the largest number of cases had parental substance abuse involved, the cases had multiple case managers assigned, as well as multiple CLS attorneys assigned. Therefore, this supports our conclusion that the shortage of case managers and CLS attorneys greatly affected our performance in this measure.

III. Operations (no report)

IV. Financial Report

- a. May Financials – John and Mark gave a quick overview of May financials as well as the Finance report from the June meeting. Insurance renewal resulted in our Liability deductible changing from Indemnity only to “first Dollar” now which means defense costs will be added to our deductible. Additionally, Liability premiums have increased significantly (between 25% and 40%). J Beck also suggested that our umbrella policy limit change from \$4million for general liability and \$3 million for Professional and Sexual Abuse to \$1 million for each due to increase in costs and the fact that higher limits seem to invite higher claims. The committee agreed to those changes. Out of Home Care payments continue to be the only significantly over budget item at \$623, 984.
- b. Finance Report: mark Motioned to accept the June Financial Report, Kevin seconded the motion. All were in favor and unanimously approved.
- c. Operating Budget – It was also noted that our new Out of Home Care payments budget is \$2 Million below the projected amount for the current fiscal year. John explained the budget assumes a decrease of children in care of 200 during the year due to increased permanency efforts. KCI will report to DCF quarterly showing the reduction in children in care. In order to receive funding, a reduction will have to be realized. Mark motioned to accept the June Financial Report, Gordon seconded the motion. All were in favor and unanimously approved.
- d. Balanced Score Card Final Results were included in packet for all to review. No discussion followed.

V. Other Committee Reports

- a) Executive Committee – No meeting/No Quorum.
- b) Quality Committee Report – The Committee is now called Strategic Innovations Committee - June 8th Draft report was reviewed – Diana discussed the new name following our new vision/strategic plan. Shalonda provided a Home Study update at the Quality meeting and the great progress the new Home Study employee, Carman Pearson is achieving. GAL update – We had planned to do a survey of GALs, but it was delayed until after Lutheran Services settles in to the new contract.
- c) Community Development -. Jessica highlighted the following items: Please make sure KCI's upcoming CARE Awards are on everyone's calendars for Friday 13th in October. This is where we will be honoring our employees at Circle Square in Ocala. The “Give for Marion” event is

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coming soon. Jessica will send an announcement in the next couple of days. Next year's Casino date will come out at the end of next week and a HALO date should also be finalized.

VI. Unfinished Business / New Business – None

The meeting was adjourned at 2:10 p.m.

Next Meeting – September 28th, 2022 – 10:00 a.m. until 2:00p.m.

Wildwood Board Room, 901 Industrial Drive, Suite 200, Wildwood, Florida 34785