

Board of Directors Emergency Meeting Minutes

February 21, 2024, 08:30 am via Zoom

Meeting Date: February 21, 2024

Chairman: Lance Kinney

Location: Via Zoom

Present: John Cooper, John Aitken, Paula Mealy (minutes), Diana Brown, Lance Kinney, Kevin McDonald, Elizabeth Thompson, Matt Bartoli, Gordon Johnson, Rebecca Schatt, Brad Rodgers, Stephen Spivey, Shalonda McHenry-Sims (COO), Mark Wickham, Anthony Piarulli

Not Present: Carly Sayles, Mark Imes, James Nations

Guests: Veraunda Jackson – (KCI Chief Legal Officer)

Quorum: yes

Call to order February 21, 2024, at 08:30 am

I. Circuit 9 ITN Negotiations – John called the meeting to update the Board on Mon/Tues. DCF meetings. John commented the meetings went well. There was open dialog with good Q & A and progress was made. After Monday's meeting, they sent 5 additional questions Mon and wanted a response by 3pm. John wants added dialog after Monday night. DCF is requesting an entire C suite in Circuit 9. We pushed back and reiterated our proposal has a solid Leadership presence in C9, but we have some shared leadership positions. This allows us to make investments like \$3 million to add 50 case managers and enhanced Evidenced Based Processes and services for children and families. KCI believes we don't need to replicate C-level positions. The second request is they want a separate Board of Directors or Special Advisory Board. KCI's board will not accept responsibility if they do not have complete control of decision-making. DCF claims this is a violation of statute by not having board majorities within the service area. We disagree with this interpretation. We will have leaders on the ground every day. John explained we will not have duplicate CFO/CEO.

Judge Spivey suggested we will not accept responsibility without control. Remember the contract went to bid because the current structure was ineffective. We need to walk away if DCF will not consider a compromise.

John commented that the response window is small. We have leverage. John C. asked DCF if they are asking to create a subsidiary. They answered, essentially yes. John is shocked they would ask for this. DCF explained that they will add language to the contract that DCF must approve hiring of all C-level additions. Judge Spivey commented that no insurance company will give us a policy when we have no control. All board members agreed. All agree we must have a single board and C-Suite.

Shalonda agrees and she does not think DCF will bend on this requirement, and she also believes Brevard will do whatever DCF wants. It may be DCF's way to get us to concede. Kevin commented that they need to let us do our job as we know how to do it. We cannot compromise our values and structure. Take us as we are or go elsewhere. John Aiken had an idea to possibly compromise. We could have a single board and single focus, but compromise by having a C9 subcommittee and a C5 subcommittee reporting up to single board.

Gordon asked if the decision maker was in the room during the meeting. John C responded with no. There were 7 voting members and 6 were not voting members. Their process is to vote and send their recommendation to the Secretary. Diana asked if we withdraw, what are the political

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ramifications from the Top. John replied he believes there are none. He recommends we send a letter expressing that we still have 3 areas requiring further discussion.

Veraunda commented that it is their contract. They can interpret as they want. They want a separate leadership team for sure. They do understand what we want. They want a separate C Suite and seem firm. Still not clear if the 3rd county is involved. Veraunda has huge concerns with DCF having a say in our C-hires. Everyone was professional but legally she has huge concerns. We must be able to do what we do well and not be set up for failure. We need to focus on the children we serve and not on constant tension with the contract. Otherwise, walk away. Gordon would be afraid to let them have control based on their current history. Their poor performance is what led to the creation of CBCs in the first place. We need a Vote: KCI is willing to go forward but with additional negotiations if selected.

Judge Spivey commented that some of DCF participants are just against community-based care and think DCF can do a better job. John C responded that the leaders who created the CBC model are gone. We cannot financially afford to do what DCF wants. The motion before the board is: The board agrees to move forward with negotiations under 3 conditions: 1. There must be a single board of directors. 2. We cannot accept DCF having control over the hiring of senior leadership and 3. KCI will not agree to a complete C-Suite in C9, but with a shared leadership model that affords C9 an on the ground leadership team that is visible and has operational decision-making. Steve made the motion to approve. Kevin seconded the motion. All were in favor and unanimously approved.

KCI and the board are willing to work with DCF to offer alternatives and solutions to the 3 areas.

Adjourned at 9:05 am