

# Board of Directors Meeting Minutes

May 22, 2025, 10:00 am

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**Meeting Date:** May 22, 2025

**Chairman:** Steve Spivey

**Location:** KCI Training Room

**Voting Members Present:** Gordon Johnson (via TEAMS), Brad Rogers, Rebecca Schatt, Kevin McDonald, Anthony Piarulli, Matt Bartoli (via TEAMS), Stephen Spivey, Liz Thompson, Carly Sayles, Diana Brown, Chuck Troutman, Rachel Kaser

**Non-Voting Members Present:** John Cooper, John Aitken, Paula Mealy (minutes)

**Board Members not Present:** Jim Nations

**Guests:** Veraunda Jackson (KCI Chief Legal Officer), David DeStefano (Chief of Strategy), Billy Kent (SR. Director of Performance and Planning)

**Quorum:** yes

**Call to order** May 22, 2025, at 10:10 am

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❖ Welcome to Annual Planning Retreat

- Chairman Remarks There is a great deal to cover today. We will be moving quickly to get it all in.
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- Year-In-Review – John Cooper and Dave DeStefano presented a PowerPoint document depicting the year's performance.

Some highlights of the year include:

- KCI has worked hard to reduce the number of children receiving Out of Home Services. The last 2 years have shown significant decrease with March 2025 having 1355 children in care as opposed to 1632 in March of 2023.
- As for the chart on slide 4 comparing the number of children in family and group care as well as those in Residential Treatment facilities, the number in group care may appear small when compared to the number in a family setting. However, John emphasized that rates for group care have dramatically increased with a current average rate of \$349.15 per day per child. Residential Group Care continues to consume a disproportionate amount of our budget. We continue to conduct weekly meetings to review/safely reduce where possible the number of children in group care.
- Slide 8 depicts total adoptions finalized for the year and shows that we have not reached our adoption targets for the past few years for more than one reason (COVID and staffing shortages being the top 2 reasons). As of 5/12/25 we are at 195 finalized out of a 250 target. However, we have many cases in the pipeline for finalization and project this year to finish at between 240 – 280. We have a good chance of meeting the 250 target.
- As for slide 9, foster home recruitment is at 62 as of this meeting. We may reach our goal of 90, but it will be close.
- Contract measures are shown in slide 10 and show the same problem measures we have been struggling with in the last year (measures 2,3, and 5). Measures just went into effect in March of 2025, and KCI met the contract goal or above the state performance consistently in 8 of 10 measures, ending the year strong.
- Slide 11 – shows that even though KCI made the tough decision to close down our Community Resource Centers, the online resource (Kids Central Connect) filled the gap serving 8,164 unique users with the top 5 search categories being Find Housing, Pay for Housing, Parent Education,

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Counseling, and Level 1 Licensing. KCI Connect is a success as it is reaching many more people in need than the localized centers did.

- Slide 12 Electronic Files Management - from July through April, we scanned 908,734 pages in 96,734 documents
- In Community Affairs (slide 13), our number of followers increased from 6,131 to 6,364. CARE Awards, HALO, and Casino night were all successes, and Kimberly McGlothorn was named as the new Director of Community Affairs, replacing Jessica Gilbert.
- Slide 14 – Healthy Start served 3500 clients across 5 programs, provided 45,000 services to Healthy Start participants, and partnered with Anthony House (Lake), The Life Center (Hernando) and MIST (Alachua) to provide 100 in-person parenting support groups.
- Slides 15 through 17 – Family Preservation – The total children served was 316 per month, down 9% from last year, but over 701 children and families completed services successfully, up 4% from last year. Kinship assisted in keeping 98% of the children they served with their relative families instead of them entering the foster care system. This program was working towards Evidence Based Practice, but FFPSA is on pause in the state of Florida, as it is very difficult to qualify at the federal level. The state has yet to file a single Title IV-E claim. KCI's Resource Center has assisted 429 families, and 878 children and Lake Deaton United Methodist Church donated \$19,281.12
- The Education department conducted 433 ESSA Staffings (conducted anytime a child changes schools).
- Slides 19 and 20 – Level 1 Foster - Licensed 106 homes (41 initial, 45 OTI/ICPC homes, and 20 homes relicensed)
- Slide 21 – Care Portal – Since January 2024, maintained 60 faith based donors. 126 requests for assistance came through the portal, with 110 being fulfilled successfully, supporting 209 children in Family-like settings. If KCI is unable to fulfill a request from our resource center, we put the request up on the portal requesting local churches to help.
- Slide 22 Training Department – 55 individuals completed preservice training – given last year there were 100 individuals, this reduction shows we are stabilizing the workforce.
- Slide 23 – Foster Care Recruitment – After sharing the events we have participated in around the circuit, Diana was concerned to not see any in Lake County. Shalonda explained we have the greatest need in Citrus and Hernando, hence the focus there. However, if any board members are aware of events in their county, they should let us know, and we will pursue that opportunity.
- Slide 24 – Quality Management – discussed our success using the AARRT (Automated Accountability and Response Tool) developed in house. John explained that we are the only agency with a real-time quality dashboard.
- Slide 25 Information Technology - Cyber Security – Todd Dunn (New CIO with 30 years of experience in government IT). Our expensive MPLS networking system was replaced saving approximately \$100K per year. Our phone system was also replaced with cloud-based RingCentral system, accessible from anywhere and is a more modern system. KCI has a 5 year plan to replace very outdated laptops.
- Slide 26 – Chief Legal Officer – reviewed Current litigation (2 EEOC Cases, and 2 workers compensation claims settled). There were also 56 staffings, 25 contracts and 44 records requests with 15,773 pages reviewed and redacted. CLO also prepared witnesses for testimony and conducted Circuit Wide Legal training, including 16 in person legal chats. Paralegal drafted 11 Court prep note sheets and 131 status reports.
- Slide 27 – HR – Served 300+ employees, processed 2461 applications, 261 position requisitions, processed 95 new hires and 84 exits. KCI proudly shared our Average Days to Hire is 39 (the national average is 44). The longest task in the process is the drug screen. KCI loses 2-3 case

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managers per month, which is down from 6+ per month a few years ago,

- SWOT Analysis – Strategy and Planning was pleased to announce that this year's SWOT was attended by 70-80 participants from across the circuit, include GALs and CLS Staff. **Strengths** highlighted include our community based prevention and diversion programs, our sibling placement, which is the highest in the state, our cross-system collaboration among system partners, an IL Advisory Council with participation of young adults and youth, and our Hybrid work environment, which is very well-received by staff. **Weaknesses** highlighted include Specialized Therapeutic Foster Home Capacity for children with high needs, local availability of human trafficking homes, percent of Level 1 homes, timeliness of FSN entries impacting Title IV-E eligibility, and timeliness of permanency outcomes (performance). **Opportunities** include improving permanency outcomes with PAARRT, continuing to advance the Fatherhood initiative, Strengthen Wraparound Services for challenging placements, Development of new lead agency allocation funding model (the one developed has been determined to be unacceptable), and continue behavioral training for foster parents (CORE teen and TBRI). **Threats** include young (inexperienced) case management workforce, an increase in child welfare litigation across the state of Florida, Out of Home Care/Residential Group Care Rate escalation, increasing liability insurance premiums and loss of coverage. Also, preservice training across the state is changing which will bring new/additional requirements.
- FY 25/26 Priorities - Stabilize Lake/Sumter CMA, improve agency-wide performance (timely permanency and adoptions), Workforce Stabilization (recruitment sources and market competitiveness). Need focus on Placement Availability, a safe reduction to Out-of-home Care, and Workplace 2.0 continuation. Diana voiced concern about not seeing SIC committee priorities listed (Employee Retention and Foster Family Advisory Group). Becky voiced concern over needing more CMA training (Address issues like Case managers not answering calls, not appearing sympathetic to clients' needs.) She complimented Veraunda's progress with the judiciary, but there is great frustration with case managers being unprepared in court. John and Shalonda did explain that these concerns brought up today will be included as input to the business plan that will be developed in July and agreed that supervisors must hold case managers accountable.
- ❖ Board Training – Veraunda, John Aitken, Dave D, and Shalonda presented a series of slides covering the required board training as mandated by DCF within our contract. The training was recorded via Teams conferencing for the 2 board members who were not able to attend today.
- ❖ Lunch break – KCI participants were dismissed for lunch while the Board conducted a private session. Items covered during the lunch session included:
  - CEO Compensation
  - S Spivey reported the Executive Committee discussed J Cooper's compensation. He explained that each CBC is required to annually report to DCF and disclose on their website the compensation paid to its CEO, CFO, and COO. J Cooper created a list of the current compensation for each CBC and determined that based on individual tenure in the position, the number of children served, and total budget, it appears Kids Central's compensation was low in comparison to other CBCs. Based on this comparison J Cooper adjusted the compensation for J Aitken and S McHenry Sims to put them above average amongst their peers. J Cooper requested that the board consider increasing his base salary to \$215,000 which combined with his earned performance incentive would make his total compensation about \$239,000. The requested increase would make J Cooper's total compensation just above the state average. S Spivey stated the Executive Committee discussion on this matter concluded with a recommendation to increase J Cooper's base salary to \$220,000 based on his performance, responsibilities, and tenure. Combined with the performance incentive, his total compensation would be about \$245,000.

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- B Rogers stated Kids Central was very fortunate to have a CEO with J Cooper's knowledge and abilities and that his compensation should be at least above the state average. S Spivey noted from a budget perspective that J Cooper's compensation was considered an administrative expense and with Kids Central maintaining a 4% administrative rate, the salary increase was fiscally merited.
- D Brown made a motion to increase John Cooper's annual base salary to \$220,000. E Thompson seconded the motion. The motion passed unanimously.
- ❖ Former Employees Serving on the Board of Directors
  - S Spivey reported a potential candidate for the board required some discussion because of some unique circumstances to consider. A board member asked Paula Mealy if she would consider serving on the board after she retires from Kids Central in June. Paula responded she was interested in becoming a board member.
  - S Spivey stated as with any board member, conflicts of interest need to be considered and the DCF contract considers anyone that receives compensation in the current year as a conflict. Further clarification would be needed in this case to determine if Paula's conflict would cease at the end of the fiscal year or the calendar year.
  - Additionally, S Spivey explained that while nobody has expressed concerns or doubts that Paula would be a beneficial addition to the board, having a very recent employee on the board would be creating a new precedent. Essentially, an individual who worked for the CEO would suddenly become someone the to whom the CEO reports. How would this transition be best managed?
  - C Troutman stated it is quite common for nonprofit boards to have former employees as members, especially former executives of the nonprofit. He explained that the former employee typically takes a sabbatical of one or two years before joining the board and that time away aids the transition from employee to board member. D.Brown stated she would not want to make a good candidate have to wait a year or more before they could start serving on the board.
  - A Piarulli entered a motion that Kids Central create a board policy requiring former employees to wait six months from their last day of employment before submitting an application to become a board member. B Rogers seconded the motion. The motion passed, 12 in favor, none opposed, D Brown abstained.
- ❖ May 2025 Board Meeting – Meeting was called to order at 1:17 pm
  - Chairman's Remarks
    - Approval of Agenda – Upon review there were no changes to the proposed agenda.
    - Approval of Board Minutes from March 2024 - Kevin moved to approve the minutes, Anthony seconded the motion. All were in favor and unanimously approved.
    - Board Structure – Steve reviewed the 3 board members whose terms are ending June 30<sup>th</sup> (Kevin McDonald, Brad Rogers, and Matt Bartoli), and noted that all 3 were eligible and willing to serve another term. Steve had been temporarily filling in as Board Chairman. That term ends June 30 and Vice Chair Kevin McDonald has accepted the nomination to move up to Chairman. Brad Rogers has accepted the nomination for Vice Chair, and Jim Nations has agreed to continue as Secretary/Treasurer. Having completed discussions on the new board slate for the upcoming fiscal year 2025/2026, Anthony moved to approve the slate as proposed, Liz seconded the motion. All were in favor and unanimously approved.
    - April Executive Committee Minutes were viewed and briefly discussed. Kevin moved to approve the minutes as presented, Carly seconded the motion. All were in favor and unanimously approved.

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- Paula distributed annual forms for completion. Those present returned the completed forms prior to the end of the meeting.

## ➤ President's Report

- HALO Report – John C. briefly discussed the event, and thanked the board members who attended (Steve, Kevin, Matt, Diana, and Rachel). The event was very well-received by all but as always, a post-event meeting was held and based on feedback, next year's event will be even better. Rachel's comment about anything we can do to make the event even more personal, would be a plus. (An example is the presenters who added some personal comments to their script)
- Legislative Update – John briefly discussed Senate Bill 7012, which is the only piece of legislation significantly effecting KCI. There are many parts to the bill, but our focus was in 5 areas:
  - ◆ DCF is now establishing a recruiting program for CPIs and Case Managers
  - ◆ The fidelity bond requirement for CBCs has been eliminated and subcontractor liability coverage for foster care providers has been clarified.
  - ◆ Subcontractors are not liable for the actions of the lead agency or DCF
  - ◆ Creates a 5-year pilot program that requires DCF to coordinate with lead agencies to place children with high behavioral health needs, and to conduct an independent evaluation/report by Jan 1, 2030. (This was done by John Stephens 10 years ago – the program failed as it was deemed too expensive.)
  - ◆ DCF to convene a case management workforce workgroup to analyze statutes, rules, and procedures and submit a recommendation by December 1, 2025. (this was done in 2022 – not sure what value would be added by doing it again)
- John also shared a document he created depicting a comparison of Residential Group Care between 2018 and 2025. The number of children in Residential Group care in 2018 and 2025 are almost the same, but the costs are drastically different. Examples include:
  - ◆ In 2018 there were 68 children with a daily rate of \$100 or more with an annualized cost of \$3,400,000, and 117 children with a daily rate of \$90 or more, with an annualized cost of \$5,100,000, which represents 43% of the total Out of Home Care Budget.
  - ◆ In 2025 there are 70 children with a daily rate of \$300 or more with an annualized cost of \$10,357,873, and 116 children with a daily rate of \$200 or more, with an annualized cost of \$14,900,433, which represents 76% of the total Out of Home Care budget.

## ➤ Finance Items

- John A distributed an advance copy of KCI FY23/24 annual report to all members present.
- April Finance Committee Report was reviewed by John Aitken and Kevin McDonald. John A reported that the new schedule of funds has not been released and probably will not be until late June. We therefore need to vote on a continuation budget to begin the new fiscal year until the new contract information is available, and we can then complete the new budget. Finance motioned to continue with existing budget; Kevin seconded the motion. All were in favor and unanimously approved.
- March Financials – Revenue and expenses are close to budget. Out of Home Care expenses continue to be the problem. Adoptions are \$320K over budget, but the Department will provide funds to cover that overage. Kevin moved to approve the financials, and Anthony second the motion. All were in favor and unanimously approved.

Finance motioned for approval of the Finance Report, and it was seconded by Liz. All were in favor and unanimously approved.

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- 990 approval – everyone received copy by email -no significant questions arose. Finance moved to ratify the 990 and Chuck seconded the motion. All were in favor and unanimously approved.
- There being no further business, the meeting Adjourned at 2:03 pm

Next Meeting – July 25th, 2024 - 12:30 p.m. until 2p.m.

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