



Our Kids of Miami-Dade/Monroe, Inc.
Meeting Minutes of: *Finance Committee Meeting*
October 25, 2017

Location of Meeting	Duval Conference Room, Our Kids
Call to Order	Meeting called to order by Tony Tegnelia
Staff Members present	George Sheldon, Mohamed Ghalayini, John Antieau, Alejandro Alamo, and Mary Cordova
Board Members present or by phone	Tony Tegnelia, Gina Russ, Rebecca Sproul Priegues, and Kate Callahan
Approval of Minutes from Last Meeting	Previous meeting minutes were approved.
Agenda Item	Year to Date September Financial Results
Discussion	<ul style="list-style-type: none"> • Discussed the statement of activities for the month of September. <ul style="list-style-type: none"> ○ DCF reduced funding for Our Kids by \$1.5M and the preliminary FY2017-2018 budget was adjusted accordingly. ○ Consequently, we are projecting a deficit of \$773K. • Tony reminded the committee that Our Kids does not yet have a final formally approved FY2017-2018 budget. <ul style="list-style-type: none"> ○ A preliminary budget was provided to the Board for their perusal. ○ A decision was made over the summer to offer George the opportunity to assess his team, understand some of the organization’s issues to a greater extent, and ultimately have him lead development of the final 2018 budget following the strategic planning meeting scheduled in November. • George mentioned that some of the assessment team’s recommendations have been implemented and these initiatives are already beginning to show fruit by way of reduced placement costs. <ul style="list-style-type: none"> ○ George proposed a \$2M strategic investment using working capital generated during prior years. ○ George suggested that once the strategic planning sessions are complete and the assessment team’s initiatives have been evaluated, this year’s budget can be finalized and forwarded to the board for adoption. • Mohammed clarified that the entire \$2M strategic investment would not be spent in FY2017-2018. Tony reiterated the importance of limiting any proposed strategic investment during this fiscal year to an amount no greater than the reserves/excess carried over from the prior year(s). • Becky let the committee know that an audit kick-off call is scheduled next Monday with the auditors. • George encouraged participation in the executive committee call also scheduled next Monday, that’s going to be an outline of the assessment.



Our Kids of Miami-Dade/Monroe, Inc.
Meeting Minutes of: *Finance Committee Meeting*
October 25, 2017

	<ul style="list-style-type: none"> • Mohammed reverted back to the financial statements to discuss the major variances: <ul style="list-style-type: none"> ○ Personnel costs is \$358K under budget largely because the organization is understaffed by 16 employees and partly because salary increases of 3% were budgeted but not yet enacted. George shared the plan to distribute performance bonuses during the storm. ○ Mohammed added that the Independent Living expense budget was adjusted downward to reflect the decrease in funds received from DCF. George stated that the independent living funds of \$700K is to maintain the stipend so that we don't cut any child's stipend. • Mohammed discussed the change in working capital during the first quarter. With \$5.6M in cash as of 9/30/17 and net deficit of \$562K through the same date, cash available for operations is roughly \$5.1M. This amounts to 17 days of working capital available. • Mohamed reviewed the YTD expenditures breakdown, in which 1.94 % is administrative costs. We remain conservative in personnel costs. • Tony asked how much OK received from the State of Florida in the previous fiscal year, to whom Mohammed answered \$105M. <ul style="list-style-type: none"> ○ George stated with the current funding formula, we are 19M over-funded in comparison to other CBCs across the state. There will be a new funding formula which will not have a negative financial impact. ○ Mohamed said that the FCC is working to enhance the funding formula, which would work to our favor. • Mohammed reported that Licensing & Placement is \$177k over budget and discussion ensued as to the reasons.
Agenda Item	Operating Highlights
Discussion	<ul style="list-style-type: none"> • Michael Williams explained that we do not have enough residential foster homes in which to place non-clinical children. Consequently, children are being placed in more costly therapeutic foster homes despite the child not having a clinical need for such a home. • Tony asked if we're making management changes and enhancing the capabilities of the placement team. <ul style="list-style-type: none"> ○ George mentioned that the first enhancement to tackle this issue was to appoint Mike Williams to assess. ○ Additionally, George said that we intend to roll Intake and Placement together and detach Recruitment and Licensing. This will increase each department's effectiveness and ultimately reduce child placement costs by avoiding therapeutic foster homes when not clinically necessary. • Mohamed reviewed the placement rates for the month of September.



Our Kids of Miami-Dade/Monroe, Inc.
Meeting Minutes of: *Finance Committee Meeting*
October 25, 2017

	<ul style="list-style-type: none"> ○ The foster daily rate distribution is primarily below budget. ○ The residential placement rates are over budget. ● George discussed legislative outreach and spoke about Ron Book’s involvement with Our Kids. He mentioned that he plans to recommend Pepe Diaz to the procedures committee and hire Flora Beal to manage community affairs. In addition, we could reach out to our Advisory Board to develop some private dollars to use it as seed money to develop our fundraising efforts, which would have to be in consultation with our case managers. ● Tony broached the topic of the Sunshine Law and impending litigation. <ul style="list-style-type: none"> ○ George said that he would like to bring in Pat Gleason, Special Counsel for Open Government, to provide training to the Board and senior leadership regarding the Sunshine Law’s various provisions. ○ George further explained that there is an exemption within the Sunshine Laws allowing private conversations with counsel, particularly in the event of litigation likelihood.
Adjournment	Meeting adjourned.

Prepared by: Mary Cordova
Approved by: Mohamed Ghalayini