Finance & Operations Committee Meeting Transcript

May 6, 2021

THE CHILDREN'S TRUST

FINANCE AND OPERATIONS COMMITTEE MEETING

"VIRTUAL MEETING VIA ZOOM WEBINAR WITH A QUORUM OF MEMBERS PHYSICALLY PRESENT AND SOME MEMBERS ATTENDING VIRTUALLY"

The Children's Trust Finance and Operations Committee Meeting was held on May 6, 2021 commencing at 9:30 a.m., with a quorum of members physically present and some members attending virtually. The meeting was called to order by Mark Trowbridge, Chair.

COMMITTEE MEMBERS:

Mark Trowbridge, Chair

Gilda Ferradaz, Vice-Chair (Zoom)

Dr. Magaly Abrahante (Zoom)

Matthew Arsenault

Constance Collins

Javier Reyes

Hon. Isaac Salver

Kenneth Hoffman (ex-officio) (Zoom)

STAFF:

Dane Minott
Donovan Lee-Sin
Imran Ali
James Haj
Joanna Revelo
Juana Leon
Juliette Fabien
Lisanne Gage
Leigh Kobrinski
Lori Hanson
Maria-Paula Garcia
Muriel Jeanty
Rachel Spector
Sabine Dulcio
Sheryl Borg
Stephanie Sylvestre
Susan Marian
Wendy Duncombe
William Kirtland
Ximena Nunez

PROCEEDINGS

(Recording of the meeting began at 9:30 a.m.)

MR. TROWBRIDGE: Do we have quorum? Great. Good morning, everybody. Welcome to the Finance and Operations Committee meeting of The Children's Trust, Thursday, May 6, 2021. It is 9:30 a.m. I am advised that we have a quorum. So welcome to each and every one of you. I am honored to have the opportunity to serve as, not only the Chair of this committee, to be the treasurer for The Children's Trust, so thank you for the faith that you have placed in me and the good work that we're going to do together going forward.

Certainly want to say thank you again to my predecessor, Steve Hope, for all of his fine service, not only to this committee, but to The Trust. And most importantly, I want to welcome all the members of the public who are participating.

With that, Muriel, do we have any public comments?

MS. JEANTY: Mr. Chair, we don't have any public comments.

MR. TROWBRIDGE: Thank you, Muriel.

I'm going to ask everybody to take a moment, I'm going to invite Dane to give a presentation to us. Several of you asked at the last board meeting to have the ability to scroll, go and look at the backup data, which I think was an excellent request. And so Dane, of course, our employee of the year, has been working and putting that moniker to good work and has found us a way through the back door so that you can do that while we're discussing items.

So, Dane, I'm going to turn it over to you.

MR. HAJ: Dane, hold on. I just want to clarify for those that are logged on remotely, this does not pertain to you, this is just for the people in-house.

MR. TROWBRIDGE: It's just for in-person attendees.

Dane, thank you very much and thanks for your good work in helping us address. I think that'll be especially essential for not only this meeting, but our fellow committees, and of course the board meeting upcoming.

So, with that, we'll resume back to the agenda. Our next item is the approval of the March 4, 20 -- I think that should say 2021 Finance and Operations Committee Meeting minutes. Do we have a motion to approve these minutes?

MR. SALVER: I'll move it, Salver.

MR. TROWBRIDGE: Thank you, Isaac.

Is there a second?

MR. REYES: I'll second it, Reyes.

MR. TROWBRIDGE: Thank you, Javier.

Any discussion, any corrections, additions, deletions?

If not, seeing none, please signify your support by saying aye.

ALL: Aye.

MR. TROWBRIDGE: Any opposed?

Motion carries. We have approved the minutes of March.

We have a couple of very important items today that will, I think, inform us, not only for the very near future, but as we look out into the future of The Trust over the next two to three years, as we look at the ending of funding cycles, the beginning of new funding cycles, that is talking about our five-year budget plan. And I know that you'll have an opportunity to hear today not only from our CEO, but also from our CFO. Hoping for a good discussion. This is where these conversations begin before we bring them to the full board and talk about issues of millage and certainly our budget, but also the work that we have done very diligently on our fund balance.

So with that, I'm going to turn it over to Jim and have him give an update on our five-year budget plan And I know he'll be joined by Bill as well.

MR. HAJ: Mr. Chair, thank you. Bill d you want to pop up -- or whoever has control.

So, before we go to the chart, first of all, Mr. Chair, congratulations, look forward to you. This is your first meeting. Looking forward to many more. And have -- for your leadership in the past several years and your role as vice chair, now in your role as chair of the Finance Committee, we look forward to the next several years and going into the next cycle as well.

MR. TROWBRIDGE: Thank you.

MR. HAJ: So, in front of you is a chart that it should look very familiar. This had been popped up several times. I think the last time was March or April when we sat down with the finance committee. And I just want to give a little bit of history to the newer board members and those who weren't around when we developed this five-year strategy.

So since 2011 we've had a half millage rate. And we were at the half mill all the way until 2017. We're at the point at 2017 where we're coming out with a new five-year cycle. Our fund balance is close to 70 million and going up. So the strategy was to developed by many of you who are still on this board, still on this committee. It was kind of pretty simple, but it was kind of, I think, visionary, many ways, of how do we serve the community, and how do we do this well, knowing that we're sitting on excess money.

So, the strategy of the five-year cycle, putting out more money and programs, at the time when the cycle first started, because we put money in afterwards, we added 28 million additional per year for five years. And then we decided to go back to the roll back rate, and I think as Isaac's starting to take the foot off the gas, put a lower millage and use a combination of the lower millage, the excess funding, to drive down fund balance to get us where we need to be.

I'm very pleased to say that the plan worked. I mean, the plan worked exactly as planned. And we're at the point now where we're in year three and the fund balance was drawn down. Additional dollar amount were put out into the community. The 28 million was to start for each year, but since then, with COVID and even prior to COVID, I need to get the exact figure before we meet today, but I think close to in the 30, 40 million extra per year going into the community.

So with this chart -- and we're bringing this chart, and this is also a preliminary discussion. These are based off proposed growth rates that we received from the state and the county. But we will not have the tentative millage rate until the property appraiser gets it to us in June. So next month when we come back, we will have the proposed rate from the property appraiser. So right now this is going off projections from the state and county numbers, but we really want to share this graph, have the discussion, see if there's anything missing from this graph that the board wants prior to June. So we will review it now. It'll come back to this committee in June. We'll have a discussion. We'll have a discussion at the full board meeting in June. It comes back again in July to this committee and then the board will have the vote in the July board meeting on the millage rate.

So that's a little bit of a history and moving forward. And I'm sure Bill is going to fill in the 1,000 points that I missed.

MR. KIRTLAND: Thousands of points. Well, first of all, it's great to be back with everybody. I think in my first live Finance and Operations meeting. It's been a little bit more than maybe a year now, so let's see how I do in a masked presentation today, I don't know all of the challenges that you all had to put up with since we've come back live.

But there's been -- Jim really set this up well, as far as like reminding the committee members as to the history of this plan. I would say, last year, given the circumstances, we sort of paused and looked at the strategy that we had developed as a committee and staff and we're, you know, for many reasons other than just our financial strategy, concerned. In the community and what -- the effects of COVID. But there was some concern that the -- with the question mark as to how programs would continue to operate, especially when it really ramped up here in the summer, is would we even realize the same amount of expenditures as we expected when we originally designed the plan.

Fortunately, we were able to adapt new services, expenditures were still realized as we had originally expected and we find ourselves still in alignment with what we had -- within reasonable deviation of what we had originally designed. I think now the bigger question mark becomes since property growth has apparently slowed in-growth, not declined in-growth, but slowed from the expected growth when we originally designed this plan. We thought maybe annually we'd be recognizing somewhere from about a four to five percent property growth this year and it's our assumption that commercial growth has really slowed the expected growth rate for the upcoming year.

So we are expecting revenues next year that are supported by property values that are -- the preliminary reports that we are receiving from state offices and the county offices that are -- that have really outsourced economic reports, resource reports about each county and their expected growth. We're expecting about 2.4 percent next year, which is an improvement from what we thought a couple of months ago.

So I would say that that's what makes this year especially unique as we develop our strategy, adopting a millage rate, is because I think the outlook for what the total property assess value is actually changing very fluidly compared to other years. So it was like only a month or two ago, they were telling us it was about maybe in the range of 1.6 to 1.9 percent rate growth expected next year.

If you remember maybe when we discussed this at our last committee meeting.

So we thought it was our responsibility as we've done in years past to bring back multiple millage rate options. I think as you look at these, its standard practice for us to discuss at least a couple of these. We always want to present what the roll back rate option will -- what the outcome of a roll back rate option will be as far as our fund balance. We've adopted a roll back rate for a few years. Trying to look up my history here.

In the past -- in our five-year plan, we've had a roll back rate now for about -- three out of our five years, we adopted it in our fiscal year '19, fiscal year, sorry, go back to fiscal year '18 and fiscal year '19 and we adopted it for fiscal year '21. So our fiscal year '20, previous budget year, was our only time we adopted a tax increase, but we did not return the half millage rate.

So as you can see, there's four outcomes here. Our orange line represents the roll back rate option. We knew when developing this five-year plan that we were going to heavily rely upon fund balances to supplement ad valorem taxes to fund our programs. We front loaded our programs with increased awards and contracts, both in quantity and amounts, so that we could steadily draw down, you know, it met -- also so it met the need of the community and what we were seeing during the solicitation.

So as you can see, the result of our fund balance, adopting a roll back rate next year would severely drop us below our target fund balance, I guess our comfort fund balance, which is around 30 million dollars. Again, we developed our fund balance strategy around what we believed to be government best practices, what the GFOA, which is Government Finance Officers Association, has recommended as far as a best practices is what you should have in your reserves and supporting your operation. So we targeted that around two months of our operational needs.

Adopting the same rate, which is our millage rate currently, 4507, has a similar effect next year, dropping us maybe just below 20 million dollars by -- when adopting that rate. So there is two options here that allow us to sustain a fund balance that is within our comfort zone. We can adopt a millage rate that levels out our revenues and expenditures, so that we can, you know, have -- keep a theoretical equilibrium of -- and not use anymore fund balance, but bring in the amount of revenue we need to support the programs that we've already committed to funding. Or there's been discussion, as a result of the board planning meetings, that there are immediate needs in the community before the solicitation window closes in the next couple of years. Our major solicitation window that we've been within five years.

So there is a half millage option, which would presumably bring in enough revenue to meet some of these needs next year and the years to follow, if a similar strategy is adopted. So I don't know if there's much more maybe -- because we are expecting the discussion and the conversation today to sort of lead our strategy going forward, but I think that these are sort of our four options that need a little bit of discussion. So maybe with that, I'll pause and kick it back over to the floor.

MR. TROWBRIDGE: All right. Thank you both for the presentation. Let's open up for discussion. I think opportunity now to look at those kind of four different scenarios certainly requires some input from our committee members before we would take any recommendations to the full board. So the floor is open.

Folks are being a little bit shy. Isaac, is that you?

MR. SALVER: Yeah, I raised my hand. I don't know if we're using that. Sometimes I go like this.

MR. TROWBRIDGE: I see it now. Perfect. Isaac, go ahead, please.

MR. SALVER: I'm going to chime in because I really want to -- I know that we had some discussions on this. I forgot when we began discussing the millage rate. I know that there's a couple of folks right in this very meeting that have kind of opposite ends of the poll type of attitude about the millage rate. But there was -- one of the first things that I'd like to do is update, you know, the comments that I've made in the past regarding what the landscape is going to look like regarding real estate values. Because I think in the beginning of the pandemic, things were closed down, it's just kind of -- it took kind of a doomsday attitude to what the outlook is going to be regarding taxable value of properties and obviously that's a key component to us doing our planning because the millage rate that we impose on the county is directly impacted by the value of the real estate and the county.

Before I continue my comments, I had a quick question for Bill. Bill, do you have an idea of how much of the county's property that's on the tax role relates to commercial versus residential? You know, what percentage is commercial, what percentage is residential?

MR. KIRTLAND: I don't have a knowledge of the balance of the two, but what's -- I have reviewed the outcomes or what's presumably going to be the growth rate for the other counties. And what I've noticed in other counties is that, like primarily in West Palm Beach and Broward, that maybe -- they still have commercial property, but as you look into the more rural, I guess, areas of our state, that the counties with more -- that are more heavily leaning on the residential values seem to have -- there's a lesser effect that COVID has taken on their growth rates. They're saying either expected growth rates, as in alignment with prior years, or maybe in some instances even like higher growth rates because residential properties have continued to increase in value.

Whereas our county, I think we're -- our expected growth rate was partially heavily leaning upon commercial properties had slowed. But I know -- I don't know the balance of the commercial versus residential, but I am seeing the effect of our commercial heavy, or heavier properties in the Miami-Dade County.

MR. SALVER: Right. Just to continue my comments, I would say, if we're -- I mean, if we look solely at growth in the residential market, like Bill had alluded to a second ago, the residential market has outperformed any possible projection that one could imagine. I mean, there has -- my CPA firm deals a lot in the real estate industry. We do a lot of different types of transactions in real estate. And I'm seeing that residential properties in the Dade County area, in all portions, not just coastal communities or private gated communities or not -- I'm seeing increase in values and sale prices throughout the county as far as residential, you know -- residential property is concerned.

As far as the commercial, I really see a lot less of that, so I'm not, I guess we have to rely more heavily on what the appraiser's office is telling us, how the values are going to change, but I can't imagine them changing that much. And the primary reason is probably inflation. Even if everything stays the same, our dollars are going to buy less and the values of those commercial properties are either going to remain the same or go up.

So I think whatever percentage of growth the county is telling us we're going to experience, I think it's probably going to be more. It's going to be higher. So our taxable base is going to be higher. And that being said, I think we should be a lot less motivated to put the pedal to the metal and go up to a .5 millage rate, not leaving us any room for future changes. So that's pretty much -- I'm going to be supporting the lowest possible millage rate moving forward, at least for purposes of this discussion.

Thank you, Mr. Chair, and congratulations on being the treasurer and chairman of this most important committee.

MR. TROWBRIGE: Thank you, Isaac. Appreciate your comments always.

Other thoughts? Constance.

MS. COLLINS: Yes, thank you. Okay, so maybe I'm going to be a contrarian here, but I believe that there's never been a time in our county, at least in my experience, where children and families of limited means are suffering more than they are right now. And that's across the board from challenges in securing stable employment, to maintaining the --

maintaining their homes and housing as the eviction moratorium across the country begins to fully lift and the impacts of that are felt. We are, I believe, going to see an enormous wave of homelessness hit our community. It’s already begun. We saw a 17 percent increase last year in the number of woman and children that we needed to shelter. In many cases with fleeing domestic violence. And we’re seeing just higher levels of mental health issues among our children and families.

So taking into account the board retreat, I think that perceptions are not isolated. I heard many board members and reviewed the report very carefully. It was clear that many of us feel that there’s a need for deeper mental health supports, deeper supports for childcare, recognition that we are not, in many cases are childcare providers and our other providers are not able to provide a living wage to those who are serving our children.

And so I think this is not a time to pull back or limit the resources, but to enhance those resources. If it turns out that the property appraiser ultimately, in years to come, concludes that there has indeed been an actual growth in the overall property values, then perhaps the millage rate, as it is every year, could be reevaluated. But in my mind, where we stand today, we should be, and I would support the full half millage rate to ensure that our programming is robust when its most needed. And that we are able to continue to support the enriched programming that we have been offering and to grow that in areas where we know that there are pressing needs on the part of children and families in our community.

MR. TROWBRIDGE: Thank you, Constance. And I'll refer the committee back to the board priorities that were discussed at the retreat. There were nine specific ones that were gleaned from that discussion, four of which were either to expand or initiate immediately. And then over the next two cycles, an additional five priorities. So thank you for that reminder and reference.

Other discussion? Matthew?

MR. ARSENAULT: Thank you. I want to commend Jim and Will (sic). The plan was really well executed to reduce the fund balance. And I think it's very important, as we have these discussions, to -- you know you don't want to -- sometimes when you look at things like that, you look at it on a relative basis and you don't want to punish a potential future higher millage rate for people that have executed on an excellent plan in the past. I think it's very important to consider that when looking at this.

I do know the responsibility of The Trust is to provide the services that need to be done. And I had discussions with regard to the future funding cycles especially. And I think a big part of that, is a driver of this is, okay, what are those services that we do intend to provides, especially with that cycle, and how do we execute on the ones that the board have identified, but also look at if there are programs that are currently being provided in pivoting those, the funding for those, right. That idea of how can we continually look at which of the services we're providing or having the biggest impact and allocating resources to those.

So, I think that, in the Program Committee and the Services Committee, what they do, it's very important for them to really provide those recommendations of those services as well to help drive, well, what is the actual need that we have. Because I do believe it makes sense now that the plan has been executed, right, to increase the millage rate to meet the need of where we are. We don't want to start cutting back on services. I do think the idea, though, is that if you go all the way to the back, are you then potentially hamstringing yourself for future things and how you do potentially grow in the future by going all the way to the maximum.

I just think that that is something that -- information coming out of the Program and Services Committee did say, all the things we want to do, what do you think that's actually going to cost us, and how can we reallocate to those programs that are the areas of the biggest need, is critical when we get to the summer to make the decisions.

MR. TROWBRIDGE: Thank you, Matthew.

Anyone else would like to comment, certainly open your mic? Javier?

MR. REYES: I have a question. So, we're showing that at the half millage rate, the fund balance is growing. So the idea is that if we were to go to the half millage rate, and programs would be put in place to draw that balance back to what the fund balance would be. One of the questions that I have is, even for the next cycle, is there time to put those programs in place to keep the fund balance from growing, even if we were to go to that half millage rate?

MR. TROWBRIDGE: Jim?

MR. HAJ: Javier, thank you. The board, what we presented at the last board meeting showed the top, Mark, what was it, eight priorities that you --

MR. TROWBRIDGE: Nine. Yes.

MR. HAJ: And we had a three year chart of the dollar amount system it'd take for each year. So the real -- discussion here is, do we have to keep the blue line or are these board priorities, which the board identified at the board retreat and thought were important, do we fund them. And if we do fund them, it'll bring this green line down to the blue line. So it's like, these are your priorities, as Matt said, prioritize what are these -- if we have X dollar amount, our priorities may exceed that X dollar amount, what are the top priorities, and what are we going to fund. It'll be what the board priorities were coming out of the retreat, would fund for the extra half mill.

MR. REYES: And there would be time to put that in place, even for the next cycle, to bring that line flat?

MR. HAJ: There are some shovel ready, and that's why we're kind of -- the ones that are ready to go now, that runs in year two and year three. And then there's also discussion, the ones in year three, there's a higher cost to it, so we may need to use to gain additional fund balance to support those long-term.

MR. REYES: But I guess my comment would be, somewhat akin to what Matthew said, that if you go to the maxing fund, then you do kind of limit yourself in flexibility for unforeseen circumstances, if we see we've had with COVID, so that's my comment.

MR. HAJ: Mr. Chair, if I may make one comment?

MR. TROWBRIDGE: Yes.

MR. HAJ: On the chart, and I'm not sure if Bill pointed this out, the board had asked last time if we'd put the average cost to the homeowner and that is on the chart. So, I'm not sure if people --

MR. TROWBRIDGE: Yeah, I appreciate that. So if you look across and you see where it's like the roll back rate at the 4.405 mills, you see it's an average of $50.56. So I appreciate you all doing that. I think this is something that Dr. Abrahante had asked us to do so we could see the impact. But I think to your point, in terms of those shovel ready, if you go back to the board priorities that we discussed at the retreat. Those four immediately are, like, expanding the book club, new program, in terms of staff professional development regarding mental health trauma, continued work in the ready plan, the BMI initiative, and expanding functionality for parents, caregivers and children via web content. So those are some of those shovel ready projects right away.

But I think that's a good clarification of what those programs do in terms of bringing that green line back to the fund balance. And I want to thank those of you who have commented on the work that this committee has done now over the last, probably four years, in terms of addressing the fund balance. Many of you have served on that committee for a number of those years, if not, all of them. So you're very aware that these discussions have been very lively. And not only related when we get to this time of year with the millage.

I'll go to the virtual participants. I don't see you as well on my screen, so feel free to chime in. Madam Vice Chair?

Oh, I'm sorry, Mr. Chairman, please go ahead, you had your hand up. I saw your face there.

MR. HOFFMAN: I had my hand up. First of all, I agree with what you were just talking about. We have shovel ready projects. I'd also think that very sympathetic to the argument that Constance makes, that we should be supporting the community to the maximum extent possible. I don't believe that that results in, or should result in us looking at this as going to the half millage. And that's for a couple of reasons. One is, we have a -- we do have underutilization in our budget, which means that if we're budgeting things that we're not spending because of either programming inefficiencies or contracting inefficiencies, and so there is a danger that we budget ourselves to a half mill, bringing in a half mill and spending a half mill, and then actually have higher expenditures.

So I think that's one of the things we can increase to spending. And we've looked at with -- I've looked at with staff and our chair of this committee will be as well, looking at what that equilibrium is between what we bring in and the risk, again, of spending more than we've actually been spending because we are better utilizing our resources.

I also think that what Matt said a few moments ago is important that we not only look at these maybe shovel ready projects as a way of spending more money, but that we also look at our existing programs, not necessarily to take away money from things that are working, but to prioritize and make sure constantly that we're spending the right amounts.

I do think -- I appreciate Isaac, the information and thoughts about real estate. I think we all were very concerned at the beginning of last year that the COVID -- the effect of the pandemic would be to have a real downturn in our real estate market, our real estate values and tax revenue.

Bill, I think the number that we talked about the other day is that the county's current projection was two and a half percent growth, which is not great compared to prior years, but it's not yet impacted like we've seen from hurricanes and other types of natural disasters.

So I think -- I do commend staff for helping us bring the fund balance down to more of an equilibrium. I do think we need to not just hold steady in terms of funding, I do think we need to look at ways of increasing funding, but I question against going to a half mill too quickly. I think we'll still need the room to raise more revenue during the next cycle to prevent having to cut back on programming in the middle of the cycle.

MR. TROWBRIDGE: Thank you, Mr. Chairman. I wasn’t sure before if it was Dr. Abrahante or Gilda that was chiming in, but certainly want to recognize both of them, either of them.

DR. ABRAHANTE: It may have been Gilda.

MS. FERRADAZ: Yes, just comments. I agree with everyone, and I’m very sensitive to everything Constance has said. I see that in the field everyday with our families, but I’m also very cognoscente of the optics of raising taxes and so forth. So I have a couple of questions. And I don’t -- Jim, you explained about the shovel ready projects, but I agree with looking at the shovel ready projects and putting the dollar amount on each one that was identified by the board at the retreat and also looking at what I believe, what Ken said, the underutilization and could any of that funding be shifted, especially in light of COVID. And some of the extra projects that came up unexpectedly this year because of COVID, had -- and I think that having that cushion helped to be able to help our providers there.

The other question I had was, the tax growth, does that take into account any tax revenues that are not collected? Because I don’t think 100 percent of the taxes are collected.

MR. TROWBRIDGE: So that's a great question. Thank you, Gilda.

Bill or Jim, do you want to answer that? I'm assuming there's a formula for that each year.

MR. KIRTLAND: Correct.

MR. HAJ: Bill -- I'll start, and you fill in if I miss anything. Gilda, two things. One is we're bringing back to the board. Last board meeting you showed the board priorities with -- wasn't a dollar amount, they were little dollar signs just indicating if they were relatively inexpensive or they had extreme dollar amounts to it. We are putting the dollar figures. It's taking us a little longer because we're trying to just calculate the minimum wage impact, but we will have it ready for the full board meeting this board meeting. The second is that we do budget up a point, but its 95 percent of the taxable income.

Right, Bill?

MR. KIRTLAND: It's a requirement. It's part of the TRIM process. I think that it's because they incentivize taking that lump sum first payment when - - because when you receive your property tax bill, you need to make that payment in maybe one month or three months from receiving it. And it gets incrementally more expensive the longer you take to pay it. So they require that every TRIM government office that's yielding the ad valorem tax revenue to budget at 95 percent because the 95 percent amount is the minimum amount you would receive. But they don't want anybody to generate their revenue budgets, assuming that payments will be made in the later part of the billing cycle. But you can actually collect more than that if more tax payers are choosing to use like the later windows to make their property tax payments. So historically, we've had a few years, at least, in my recent memory, of seeing more budgeted -- more actualized revenue than budgeted revenue come in to our office.

MS. FERRADAZ: Right. But since this was an unusual year, I'm just wondering if that's still holding true for this year.

MR. KIRTLAND: With collection so far, are actually exceeding, which I found very interesting because we -- there's two, maybe, indicators of, right, how we will be affected by all this. One is we're waiting to see what the assessed value is of properties, whereas of December 31, 2020, if and how much they were affected. But a more current indicator is the collections of our current year budget revenues, which primarily took place in November, December, January and February. And the month to month comparison, our tax payers in Miami-Dade County were actually making payments in excess of the same, at the same point previous year.

So we adopted the roll back rate last year, so we were bringing in similar revenues, but basically the percentage collection analysis should have been the same despite what millage rate we adopted. But we saw tax payers making payments earlier. Maybe that's because its more they wanted to realize the discounted rate rather than wait until a later period.

MR. TROWBRIDGE: Great question, Gilda, and that's a good response, Bill, in terms of how that's been tracking over the last 14, 15 months.

Gilda, any other questions? And then I'll go to Dr. Abrahante, and then back to Matthew.

MR. FERRADAZ: Not from me, thank you.

MR. TROWBRIDGE: Thank you, Madam Vice Chair.

Dr. Abrahante?

DR. ABRAHANTE: Good morning, everyone. I apologize for joining the meeting a little late, I was in another meeting. And so I'm looking at the chart that is being displayed and the different, I guess, proposals. And I think I agree with Ken, in having some concerns about going to the half millage. If there's any way that we can avoid it. And that's about it.

MR. TROWBRIDGE: Thank you, Magaly, always appreciate your input. Thank you for joining us.

Matthew, back to you.

MR. ARSENAULT: Do we know when, I guess -- when was the last time we were at the maximum and for how many years were we at that?

MR. TROWBRIDGE: I'm glad you asked that.

Bill, this is a great chart, maybe underneath where you have the years, where you like have '17, '18, prior cycle, maybe what you can do is add in what the millage was those years.

MR. KIRTLAND: Correct.

MR. TROWBRIDGE: Because I know you mentioned three out of the five years we were at the max, .5, but I'd think it would be great to see that historically. We talk about it in more detail here, I think, in terms of trends, but I think a great question in terms of historically, especially since we've onboarded a number of new board members over the last year or two.

MR. HAJ: Mr. Chair, since 2011 we've been at the half mill. From ’11 to ’17. It may be prior to ’11, I just -- it’s not in the -- only goes to ’11, but I think it was even prior. But we can get you that. But at least from 2011 to 2017, we’re at half mill until we adopted this plan and started lowering the millage rate.

MR. ARSENAULT. Right. So there’s an argument to be made of -- the plan worked, right, because it was a combination of higher tax revenue and difficulty and spending. There’s an argument to be made of do you sort of increase the cycle time of that plan. There’s an argument of, if you go to the half mill, right, and it’s higher than what you are, then you can always lower it in subsequent years to do that. I think that what the board has to decide, okay, we just have to ensure that we’re spending that money in a cost effective and proper way and ensure that. Because there will be pushback on, well, you’re raising the rate, regardless whether you raise it to .4825 or to the maximum millage rate, it’s -- an increase will be perceived as an increase regardless.

It’s just something, as we go through this, to consider on how you manage that plan. Because there is a certain sense of uncertainty, but it still all comes back to, okay, we have to make sure the -- the right priorities and a cost-effective way of spending it.

MR. KIRTLAND: A little bit more historical information, just remembering my reviews of the millage rate is, following the 2008 property market crash, essentially, The Trust, for nearly a decade, I think, about eight or nine years or so, began the process of half millage rate and it was manageable for many years because the road to recovery or property values was slow. So the additional revenues that it would bring in each years minuscule compared to what it was prior to this funding cycle where we were looking at astronomically high growth rates year to year. So the practice of adopting the half millage rate started to bring into The Trust, maybe in the range of 8 to 10 million dollars additionally per year. And it became, I think, as one of the points brought up earlier, about what's the viability or feasibility of managing that kind of additional revenue year to year.

But we're back in a position somewhat similar to what happened following '08, but we hope for a quicker recovery than what took place back in 2008. So we're as -- we think, in the prior model that we had discussed as a committee, even if we had built into this a strategy to look at additional funding options, what the healthier growth rate and the property values, there was -- it looked like there was options to entertain those needs and not return to the half millage rate.

Being that the growth rate is so low, expected for next year, the -- it's actually quite within our reach, given the needs that were identified to both adopt the half millage rate. And it's not bringing in necessarily such a high dollar value of additional revenues next year because of slow growth.

Now, the chart that we're projecting just looks at the next few years, assuming the current strategy, like a half millage rate being adopted every year following. But we're going to develop, I think, our strategy based on needs first, and then identify what the growth of the county is and adopt -- you know, adjust our millage rate to equal the revenues needed. So there's no, necessarily, an assumption that will need a half millage rate every year, per se, after this year, but we know at least within one year, a half millage rate over the rate that's needed just to level out revenues and expenses, being that, what I'm calling, I guess, the target fund balance strategy at

4.825 versus the half millage rate, only brings The Trust in about, I think, three to four million dollars additionally to manage next year.

So that would be the number I would kind of present to the board as can we identify that amount of need compared to what the board retreat had identified most recently. And then in future years, right, we would have the discussion of looking at the growth rate of the county and seeing, do we really even need the half millage rate to address the needs in the following year.

MR. TROWBRIDGE: Thank you, Bill. Thank you, Matt.

Nelson, I know we have not heard from you. I want to make sure we gave you a chance to say a few words. He stepped away. Oh, I thought he was on Zoom, I apologize.

All right, well we've had some good discussion. I'm not sure if the goal today is to make a formal recommendation, but I think it's really just to have discussion and keep guiding the work that Bill, Jim, and the team are doing.

MR. HAJ: This is just, as we stated earlier, preliminary. Next month will be great. We will have the tax appraiser numbers, at least the preliminary numbers for June. And then given the conversation at the board meeting, we can also develop a model where we plug in the priorities and then show what that looks like, too, so you can see both charts.

MR. TROWBRIDGE: All right. So let us continue.

Constance, is there something else you'd like to add?

MS. COLLINS: I do think it would be really helpful to see what we would be able to fund with the additional dollars.

MR. TROWBRIDGE: Whether it's the three million or eight.

MS. COLLINS: So much effort was put into the Racial Equity Diversity and Inclusion initiative and to get to the end of that and learn that because we didn't address the millage rate issue appropriately that went by the wayside. To me that would be a great opportunity lost.

MR. TROWBRIDGE: Very good. Thank you.

All right, with that we will move on to the resolutions. Again, thank you all for that great discussion, your feedback, and your thoughtfulness. These are, as Gilda referenced, very interesting times, so we need as much guidance and as much input as we can get from our team.

We have one resolution before us today. I'll read it into the record. It is Resolution 2021-A: Authorization to negotiate and execute a contract renewal with Marcum LLP, in a total amount not to exceed $28,500.00, for a term of 12 months, commencing August 1, 2021, and ending July 31, 2022, with one remaining 12-month renewal, subject to annual appropriations.

Is there a motion to approve?

MR. SALVER: I'll make a motion for discussion, Salver, but I had a question. It's simple/

MR. TROWBRIDGE: Thank you, Isaac, hold one second, we'll get a second.

MR. SALVER: Okay.

MR. ARSENAULT: Second, Arsenault.

MR. TROWBRIDGE: A second from Matthew. Back to you, Your Honor.

MR. SALVER: Yes, sir. Okay, I just want to know how many years have we had Marcum as our auditors? This contract will mark the blank year --

MS. KOBRINSKI: Isaac, sorry. One second. Hold on.

MR. TROWBRIDGE: I believe this will be the fourth year --

MS. KOBRINSKI: Can you just hold on one second, I just wanted to make sure we don't have any recusals.

MR. TROWBRIDGE: I apologize.

Any recusals?

Thank you, Leigh.

Going back to Isaac's question, I believe that we've just completed the third year. Is that correct, Bill? And this is approving the fourth year. And they would have an additional year, Isaac. These are by our own bylaws, only eligible for five-year options.

MR. SALVER: Beautiful. Okay, perfect. Thank you.

MR. TROWBRIDGE: Okay, great, thank you.

We have a motion, a second, we have no recusals. Any other discussion?

Thank you for the clarification, Isaac.

All right, all in favor say aye.

ALL: Aye.

MR. TROWBRIDGE: Any opposed? Any abstentions?

Seeing none, the motion carries and will approve for an additional year with Marcum LLP.

Mr. CEO, I turn it over to you for your report.

MR. HAJ: Chair, I just have, the monthly financial statements were posted. I think we covered a lot of discussion today to have to deal with the financial statements. Other than that, I just appreciate everybody's time and input. And we look forward to the next couple of months as we get ready for TRIM, which will be in September. We should have those two dates, but we'll let the board know, because attendance is critical at those two meetings.

MR. TROWBRIDGE: Yes, Muriel, is shaking her head, for those of you on Zoom, to remind you that when those dates are posted, it's critical that we have full participation from the board. So those typically take place in September, usually about a week or so apart, but they have to be very well managed with all other types of municipal meetings that are also doing their TRIM hearings. So appreciate your calendar and your patience.

I want to thank our Chair, Ken Hoffman, he was reappointed many of you to this committee, but has added to our committee Maurice Copeland, and so looking forward to serving with Maurice. And great to have all of you back working with us. I want to congratulate Gilda for being our very abled vice chair for this committee. I look forward to working very closely with her.

Any other items for the good of the order for today's Finance and Operations Committee Meeting?

MR. KIRTLAND: Maybe just to point out a couple of things on the monthly financials, just -- I kind of alluded to it already and the presentation of the five-year strategy, which is happened a few times now, so there's not much more to state, but the expenses seem to be in alignment with what was the performance last year. We -- again, we adopted the roll back rate last year, or in our current year, so that we had the same amount of revenue. But the expenditures, maybe, are slightly ahead of where they were last year by about two million dollars, I believe.

So it looks like our projected expenditures that we built to agree with or support the five-year plan is occurring. But a byproduct, I guess, of this environment is that we're actually getting invoices a little bit faster than we have in other years. We're more current with the invoices our providers are actually giving to The Trust. So the expenses maybe could be ahead due to invoice collection as well, but it looks like it's within reasonable deviation of our performance last year so far.

MS. KOBRINSKI: Bill, I don't see the monthly financial statements on the agenda. Is it on the agenda?

MR. TROWBRIDGE: Yes. It's just right under -- so your report first bullet.

MS. KOBRINSKI: Oh, I'm on the OneDrive. Is it on the OneDrive?

MR. TROWBRIDGE: We'll just clarify the agenda, one moment, everybody.

MS. KOBRINSKI: Is it on the OneDrive somewhere. Oh, that's just the agenda. Are they actual statements posted somewhere?

MR. KIRTLAND: Yeah, we post them for every -- I don't know if they were up before the meeting necessarily --

MS. JEANTY: They were.

MS. KOBRINSKI: Okay. It's just not on the agenda. That's what I was clarifying. It's not attached to the agenda that's on the website?

MR. KIRTLAND: No.

MS. KOBRINSKI: Okay.

MR. TROWBRIDGE: So again, to see the detail, these are posted to the website. But if anybody would like a copy emailed to them, I'm sure we can have Muriel help us with that. So thank you, Leigh.

MS. KOBRINSKI: All right, I see it, it's a separate link. It just wasn't attached to the agenda so I missed it. Thank you.

MR. TROWBRIDGE: Thank you.

MR. SALVER: I move to adjourn, Mr. Chair.

MR. TROWBRIDGE: Thank you very much, Isaac.

Is there a second?

All in favor say aye.

ALL: Aye.

MR. TROWBRIDGE: Any opposed? We stand adjourned. We'll see you on Thursday, June 3rd.

(Whereupon, at 10:55 a.m., the meeting was adjourned.)

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Signed this 23rd day of May 2021.

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CHRISTY CALDERA, Transcriptionist