Finance & Operations Committee Meeting Transcript

March 4, 2021

THE CHILDREN'S TRUST
FINANCE AND OPERATIONS COMMITTEE MEETING

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

The Children's Trust Board of Directors Committee Meeting was held on March 4, 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 Steve Hope, Chair.

COMMITTEE MEMBERS:

Steve Hope, Chair (Zoom)
Mark Trowbridge, Vice Chair
Dr. Magaly C. Abrahante (Zoom)
Matthew Aresnault
Constance Collins
Gilda Ferradaz
Nelson Hincapie
Javier Reyes
Honorable Isaac Salver
Kenneth Hoffman (ex-officio) (Zoom)
Leigh Kobrinski

STAFF:

Carol Brogana
Donovan Lee-Sina
Imran Alia
James Haj
Joanna Revelo
Juana Leon (Zoom)
Juliette Fabien
Lisanne Gage
Lori Hanson
Muriel Jeanty
Rachel Spector
Sabine Dulcio
Sheryl Borga
Stephanie Sylvestre (Zoom)
Wendy Duncombe
William Kirtland (Zoom)
Ximena Nunez

GUEST:

Branden Lopez (Zoom)

PROCEEDINGS

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

MR. HOPE: Okay, folks. It's now 9:30. Muriel, do we have a quorum?

MS. JEANTY: We have quorum. Go ahead, Steve.

MR. HOPE: Okay. All right. Good morning, everyone. My apologies for not attending in person. I'd like to take this opportunity to welcome committee members, staff, auditors, and any community guests. With that being said, let's begin.

According to the agenda -- let me just take a look at the agenda. Okay. Do we have any public comments, Muriel?

MS. JEANTY: No public comments, Steve.

MR. HOPE: All right. So if we can approve the October 8, 2020 Finance and Operation Committee Meeting, can I have a motion, please?

MR. HINCAPIE: So moved, Hincapie.

MR. HOPE: Okay. Can I have a second, please?

MR. SALVER: Second, Salver.

MR. HOPE: All in favor?

ALL: Aye.

MR. HOPE: All opposed? Okay. Passes. All right. So, okay. Just give me a minute.

All right. So, we have the auditors here today to present the annual financial audit. And I had an opportunity to take a look at the draft audit and the audit management communication letter which did not highlight any areas of concerns.

As a result, I would have our CEO introduce the auditors for the presentation. Mr. CEO? I'm sorry, Mr. CFO or CEO? Whoever who will do the introduction, please.

HR. HAJ: Bill, go ahead and do the introductions.

MR. KIRTLAND: Okay, sure. Well, good morning, everybody. I would like to introduce Branden Lopez who is one of the managing auditors that merely led the, you know, the entire process with the Children's Trust in March.

And so we spoke to him on this before, this morning’s meeting to just understand a little bit about what his -- how his presentation would go.

So I'm not going to take too much longer and just kick it over to him and say welcome, Branden and please present your presentation.

MR. LOPEZ: Thank you, Bill. Good morning. Can you guys hear me okay? Okay, great. My name is Branden Lopez. I'm a senior manager with the firm with Markham, we are external auditors.

And here today to present the 2020 CAFR, and what I'm going to do is, I'm going to go through it at a high level of review and kind of point out some important key items and then kind if just open up to any questions the Board might have. So, if you -- perfect. Okay.

So, I know some of you might be going through this electronically. Some might have it in paper form, so I'm going to make sure I go through when I reference a specific page number, I'll make sure I reference the PDF page and also the printed page.

So, to start let's go to -- actually, before we begin, I just do want to mention, obviously this year was a very unique year as, you know, obviously with everything that everyone was going through, and the current environment we're in. So, we did the majority of the work remotely.

There were certain days that we did go into the Trust to perform some detailed testing, but it was a very unique year. And I just really want to take a minute to give credit to Will -- to Bill and Wendy and their team.

You know, whenever there was a request that was made, whenever there was questions that come up, there was no delaying getting us that support.

So, really being able to present and issue these reports on time is a testament to your team, so I definitely want to give credit where credit is due.

So, if we're going to get started, I want to -- let's highlight PDF page 19 which is printed page 1. And this is the independent auditor's report.

So, really this is one of the most important documents of this entire report because it let's the reader know, you know, what is it that we're giving a report on. What our management's responsibility and what are our responsibility as an auditor?

And if we follow on to the next page, PDF page 20, you see here the opinion. And this opinion is an unmodified opinion. It's a clean opinion. It's really the only opinion you as a finance committee and as the Trust as an organization want to be associated with.

So, we're happy to report that the Trust did receive an unmodified 18 opinion for fiscal year 2020. So, that's definitely a great thing. So, we did want to make sure we point that out.

Continuing on PDF page 22. So, this you know, this document, this CAFR, is a very large and sometimes complex document.

But what I always like to pinpoint and mention, one of the most important things if you are going to read, besides the auditor report, really here, the MD&A management discussion and analysis.

This is a very good overview basically of the Trust and its year. And in these, you know, about ten or so pages, it's basically management going through its current year results and comparing them to prior year and talking about any, you know, what swings, what caused them.

So, if you're going to ready anything of this document, this is a very important, you know, section of it, which kind of give you basically an overview of the entire year.

I'm not going to go into specifics, but I do want to mention that there were no significant auditor adjustments this year, so the numbers that you see in this packet are very consistent with what you've seen, you know, in your basically your monthly reports.

If we continue along on PDF page 39. So here now, we get into the actual financial statements, right? So, in this first page we have our statement of net position. And one more -- if we can get to the next page, page 40.

We have our statement of activities and this basically gives you a picture of the Trust activities for the year. And one thing that I did just want to highlight is obviously this year we had that, the change in net position, you know, your net income if you will.

We had a loss, right, for the year, but that doesn't really raise alarms because that's expected, right, because we know, I think starting last year, the Trust has that five-year plan of starting to bring down and reduce their fund balance and spend more on those provider expenses.

So, these results are basically expected and in the norm of what the trust was expecting to see. So, I did just want to highlight that.

If we continue along on PDF page 46. So, this part of the CAFR, we get into the notes of the basic financial statements.

And one thing I just want to highlight is, really this year there were no significant limitations of GASB's. So the format the disclosures you see here are very consistent with what you've seen in the past.

Nothing new that was needed to change. Nothing -- no new GASB limitation that would affect either the recording of a transaction or the disclosure of a transaction.

In the upcoming year, the one big GASB update that we have coming up is in regards to leases and how you record them and how you present them.

It was supposed to be implemented next year, but because of Covid, GASB actually delayed that another year. So, that won't be affect -- won't go into for the Trust until fiscal year 2020. So, we have a couple of years until we get to that.

And basically, next year we'll be sitting down with Bill and their team to kind of make sure, you know, what type of information should you be keeping track of and how do you want to go about recording and all that, so we still got some time on that end. But for this year, nothing significant really affecting the notes of the CAFR.

If we continue along, we're going to go to PDF page 116. So, now we get into the compliance reports. So, as you're aware because this is a governmental entity where we're auditing in accordance with governmental auditing standards.

And we're not only performing a financial statement audit, we're also providing a compliance audit, as well.

And in this report, you'll see we're -- us as auditors are to basically disclose to the reader and report any significant deficiencies or any material weaknesses identified as part of our procedures.

And in this report, you see it goes into explaining what a deficiency and control is. What rises to the level of a material weakness or a significant deficiency.

And if we follow along on the next page, 117, here we let the reader know that based on our procedures performed, there were no issues that rose to that level that were identified. No findings in internal control.

So, we're happy to let the finance committee know that for fiscal year 2020, no such issues were identified as part of our procedures and our audit.

If we follow along on page 118, here we get into -- yes, the management letter to the auditor general.

And in this letter, basically we get into, not only just the compliance -- and any findings, but also where we go into and look at some of the Florida Statutes and we make sure that there were no issue identified and the Trust is out of compliance.

And as you follow along, you can get onto the next page, on page 119. Here, we will perform, you know, what's called a financial condition and assessment, and essentially, what is the health of the organization.

And we look at some metrics. We look at some benchmarks comparing the trust to other similar organizations. And if there was any going concern, if there was any issue with the financial condition, we would have to report that to the auditor general but as you can see here, there were no such issues.

Like I mentioned previously, yes, we do see, you know, essentially a change in a position as a decrease this year, but it's expected, right? It's part of the budgeted plan. So nothing that really rises to that level that would need to be communicated there.

And following along, we keep going down to PDF 120. This is the last of the compliance letters that is also submitted to the Florida Auditor

General.

And essentially, this letter is letting the auditor general, and the reader know that the Trust is in compliance with its investment policy. Right?

So, as far as part of our procedures, we take a look and we look at the approved investment policy and we make sure that as of yearend, are they in compliance with that policy.

And as you can see here, there were no issues of non-compliance in regards to the investment policy and that's what this letter states.

The next document that we have which is a separate document from the CAFR is the communication letter to those charged with governance. Exactly, this page right here.

So, as part of auditing standards, we're required to report and issue a communication letter to those charged with governance.

And in this letter, there's several factors. One of the things is, are there any new, you know, GASB implementation accounting standards of implementation that were in effect this year.

And as you can see here, we stated there were no new accounting standards adopted this year, which was a change from, you know, in the previous letters, this is where we would disclose that.

If you scroll down a little bit further, in this letter, if there were any -- as part of our audit procedures, if we encountered any difficulties with management, if we had any disagreements, if there were any instances where some support was requested and it was not submitted by management, if there was any discrepancies, this is where it would be disclosed to the finance committee and to the Board.

But as you can see, and if you scroll down to the next page as well, in each section, and if you read it specific, you would see that there were no such issues identified. Right?

There were no disagreements. Every time support was requested, it was received. There were no significant auditor adjustments as part of our procedures.

So, in this letter, this is where we communicate that to the organization and to the Board. So, we’re happy to let the finance committee know that. Basically, another clean year and no issues were identified as part of our audit.

So, I now kind of, you know, that was a

general overview. I kind of want to open it up to the Committee to see if you had any maybe specific questions or any comments or anything, you know, that you wanted me to answer a little more.

MR. HOPE: And so to the committee members, anyone have any particular question relating to the audit report or a question relating to staff?

MR. KIRTLAND: Maybe I can provide just a little bit of context on what the committee will be essentially doing today when they know, and I guess they review any approval of what is the drafted financial statement.

The approval of the finance statement will be final when we go to the board meeting at the end of the month. That is merely just a presentation of our CAFR.

It will be presented as already approved and finalized by the committee following this. Am I right on that, Branden?

MR. LOPEZ: Yes, correct. So, this is in draft form. Once the finance committee gives its approval, then we will begin the issuing process on our end. We will perform our updating procedures, and sometime next week we will issue the final CAFR.

MR. SALVER: And I'll --

MR. HOPE: Sorry, go ahead.

MR. SALVER: Steve, I'll make a motion to approve the draft CAFR for, you know I guess, to make it final and then present it to the Board at large.

MR. HOPE: I appreciate it, sir. We have a motion. Can I have a second, please?

MS. COLLINS: Collins, second.

MR. HOPE: Okay. Thank you, ma'am. All in favor?

ALL: Aye.

MR. HOPE: Any opposed? Okay. It passes. Thank you very much. I want to extend my thanks to the auditors for, I think this is your second year, for I guess, getting us a clean audit.

But most of all I want to extend my thanks and appreciation to Bill and the staff for another year of exceptional work that, you know, ensures each year that we have a clean audit which demonstrates, you know, that the organization sort of having a legacy of fiscal responsibility. So again, thank you very much. And so --

MR. KIRTLAND: Do you mind if I add on to that, Steve, a little bit before you move on?

MR. HOPE: Yes, sir.

MR. KIRTLAND: Okay, great. I mean, there's a lot of people that, you know, to commemorate I guess, in these moments, even our Finance and Operation committee members.

I mean, this process started years ago when we were reviewing who would be our next audit firm when we changed over from the previous five-year cycle of our, you know, from our previous auditor.

Markham has been a fantastic and professional organization to be working with these past two years. Their staff are, you know, highly competent and, you know, very professional and not just in the conducting of the audit procedures themselves, but you know, we have regular and ongoing conversations with them throughout the year when our environment has changed.

Especially if -- when Covid hit and we tried to adopt maybe some alternative procedures, you know, remote procedures, any kind of accounting announcement comes out, we were in very close contact with Markham and they've always been able to provide the adequate guidance that we need.

So you know, I wanted to thank Branden. Branden, you might remember you know, who is your extended staff that was also on the audit. I might have, you know, seen a little bit less of their face this year, so it's a little bit harder for me to know exactly everybody that was assigned but I know that Markham found, you know, a way.

Like, how Branden had mentioned about the Children's Trust being able to, you know, operate within the remote environment of this audit, but they also were able to conduct the audit in a remote environment and only came to our offices on a very select few occasions.

And you know, they make the process, you know, as seamless for us as hopefully we make it for them. So we enjoy working with them, you know, to hopefully produce a clean audit each year.

As I normally do each year, we need to -- controller (ph) -- has been sort of the spearhead and the leader, I would say, of the audit process at the Children's Trust for years that extends beyond my own at the Trust and she's always known, you know, the process from beginning to end and rarely, you know, doesn't cross a T or dot an I on the entire process.

And so, I wanted to commemorate her on always making sure that the staff knows what we need to provide for the auditor in a timely basis and you know, what we need to consider as we go, you know, throughout the year to making sure that we don't, you know, compromise, you know, the integrity of our audit.

So, I wanted to thank Wendy and we had various other finance staff members, you know, that prepare documents and, you know, for the audit and for, you know, or take part in the, you know, producing the CAFR schedule themselves.

And just the Trust finances -- I'm sorry, the Trust staff in general because, you know, it boils down to every small procedure leads up to the final product of a clean CAFR report.

You know, every procurement policy being, you know, being followed correctly and, you know, and every check that's cut or every contract that's managed.

So I wanted to thank just staff at large. And so, I think I've captured everybody, so thank you for the floor for just a little bit there.

MR. HOPE: Thank you very much, sir.

MS. KOBRINSKI: Mr. Chair, this is Leah Kobrinski. Bill, can you advise staff when staff sent this draft report to the board members? I don’t see it in the agenda.

MR. HOPE: I'm sorry, ma’am. Can you --

MS. KOBRINSKI: I was wondering when staff provided the draft CAFR to the board members for their review. I don’t see -- I didn’t see it as part of the agenda. I don’t recall receiving it myself.

MR. HOPE: Bill, can you respond to the question, please?

MR. KIRTLAND: I'm also going to maybe ask Jim. I would have thought we had this as a part of the packet that went out to the finance operations committee.

MR. HAJ: Give us a minute. We’re checking now. Did the board members here not receive it?

MR. HOPE: I requested a copy separately so, I was of the opinion that it was sent out, but I will defer to staff on that to give an answer to that question, please.

MR. ALI: Thank you. I’m checking with Muriel.

MR. HAJ: Yes. Muriel, can we send it to the finance committee right now?

MR. HOPE: If it was not sent, my apology and we’ll try to get it out to you immediately.

MR. TROWBRIDGE: And it will go in the March 15th Board package, correct? Good. Thank you.

MR. HOPE: Okay. So, we can move on and then we'll have an answer before the end of the meeting. If there are no other questions for the auditors, we can excuse the auditors now and then we can proceed to the next item on the agenda.

Okay, Branden. We appreciate you taking the time, so thanks again.

MR. LOPEZ: Thank you very much. I appreciate it. Have a great morning.

MR. HOPE: Thank you. All right. So, while our staff is looking for an answer to a committee member, I'd like to move on to the next item on the agenda which is the review of the five-year budget plan.

I had the opportunity to meet with the CFO and the chief of staff with the pre-finance committee briefing and we took a look at the five-year projections taking into consideration changes that would have occurred prior to our last conversation.

I would give the CEO and Bill the opportunity to make that presentation and then we will open up the floor for discussion and questions as it relates to the five-year budget plan. Mr. CEO, the floor is yours, sir.

MR. HAJ: Mr. Chair, thank you. Muriel or Bill, whoever’s controlling the screen, can we pop up the chart, please?

All right. So, we have had a chart for probably the last three or four years before we went to the new cycle just to remind -- I think we have -- we don’t have any new board members.

Just to remind board members, going through the last five-year cycle, we had a fund balance close to 70 million dollars going the wrong way. And this committee met and designed a five-year plan of how to draw down the fund balance.

Kind of in combination of one: putting additional services into the community where it was needed the most. We shouldn’t be sitting on the money and really getting the money out to the community. And at the same time, rolling back our millage rate.

So, the combination of those two, we had a three-to-four-year plan to get it to where it needs to be and that is the gray line you see on your iPad. There’s a gray line going horizontal which is approximately two months operating is where should be.

So, this is the same chart you've seen year after year which is with the actual numbers now included for the last three years.

The only difference with this chart, we added an additional line this year because we had talked pre-Covid about the possibility of purchasing a building and locking away or identifying ten million dollars for a building and that was the discussion.

So, the line that you see in yellow at the 32 million dollars, is with a ten million designation. The line -- the fund balance where it is, if the designation remains is at 22 million dollars.

So, that was -- that is the only addition to what's new. The rest of the format has come before you year after year has been this with updated numbers.

Now, if we can go up to the chart; scroll back up, please. So, this is a more detailed version. If you see the first three years, '17, '18, '19 have been completed, and we're in our current cycle of '20-'21.

This is detailed and this is what feeds the chart. I want to ask Bill to kind of take us through this chart and as well as anything that I missed on the fund balance chart.

MR. KIRTLAND: Okay. Dan, it will be my pleasure to sort of navigate our committee members through the information that we presented before them here today.

There is a rumor going around though, right, if the questions get too hard regarding this five-year schedule that we maybe can have our friends over at the United Way, they may be scheduling a fire alarm there at some point.

Maybe if the questions get too hard, we can just pull the fire alarm and everybody runs out of the meeting and we can figure this out later, I suppose.

But no, recognizing that today's discussion will probably be mostly question and answered based and discussion based. What I'm going to try to do is just really just set the stage about the context historically of what we have done and, you know, accomplished and what our challenges are going ahead from here.

As Jim mentioned, you know, we set out years ago to address the issue of arising fund balance that was nearing about 70 million dollars. That was what we would call our pre-five-year cycle fund balance.

That was during a time of rising property values and I would say it continued to dock (ph) to the half millage rate amongst that rising property value.

Now, our plan heading into the five-year cycle was really more carefully managed than our millage to address what we thought were our capabilities of the Trust and investing in community service throughout the cycle, in correlation with how much the market would grow.

And in our original projection and conversations with the county and in some conversations, we're even having at the state level now, and what they predict our property values could be, how they would be growing in the next few years, is that we thought on average we would be recognizing around a four to five percent market value growth in our properties, both commercial and residential, in roughly about each year of this cycle. And that's how we designed our expenditures essentially.

If we look back in the first year of the cycle and the amount that we built into our solicitation and our fees for the various direct service -- our fees that we released for this cycle, what we tried to plan for were rising property values and we wanted to build into that spending plan the usage of our fund balance.

So, in the early years of this plan, we were not necessarily recognizing revenues that would be the appropriate amount of revenue to support the increased investment we had in year one of the cycle.

So, you see proportionally even in the ‘18-‘19 year, we were adopting a rollback rate that was only bringing in about 127.5 million dollars compared to a budgeted TRIM expenditures of 164 million dollars.

Now -- and also what you’ll notice in this plan and below the line item of what the TRIM expenditures are is a built-in understanding or trying to manage our fund balance, not necessarily from a budget of 100 percent recognition of the budget approach. Meaning that our expectation would be that every dollar budgeted for would be spent, you know, either in our internal departments or provider services.

So, we tried to devise a number or an understanding of how much of our budget, based on historical performance, may actually be spent. So, essentially in looking at this plan, we at the Trust and as committee members, you know, have to be able to manage, I would say two great risks in our forecasting plan.

We have to be able to have the best understanding of what our actual expenditures will be, the utilization rate of our programs and contracts, alongside of the risks of what the market conditions will be for our revenues.

Actually, up until this point, the revenue prediction side has been more predictable than I would say understanding exactly how much of our contract and program expenditures we would recognize, but we're getting a better handle on that each year.

So, in the first year when we first issued our awards and contracts and I would say there's a little bit of that, like, learning curve or economies of scale and as such where we're trying to learn a little bit about how well our programs are spending.

We had an under-utilization rate of something I think in excess of about 11 percent or so, you know, causing a wide gap in between what we would consider our budgeted expenditures versus what was actually realized.

So, in heading into the ‘19-‘20 year, a little bit of what we thought happened in the first year we expected to improve, right?

Our programs would know a little bit more about themselves, how to maybe readjust or reallocate funds within their existing contracts so that more of that was spent.

And then we had other greatly improved initiative that we invested funds in that -- such as early childhood and some of our scholarship and tier payment programs that vastly used more funds in the second year than they did in the first year.

So, you can notice that even though we did not greatly increase our TRIM budgeted expenditures into the fiscal year ’20 moving from around 164 million to 165 million, we did realize about another -- almost 11 million dollars in realized expenditures.

And so that in part is what I just mentioned is that we did see a lot of improvements in existing contract spending. And so, I suppose the victory for what we’ve considered in this plan to drive down the fund balance, would be that there was great concern around mid-year, last year once we got to the springtime, that our programs were faced with a daunting challenge amidst the Covid worldwide pandemic of how were our programs going to adjust to either having a remote-based program or shutting down programs or attempting in-person programming.

So traditionally, when we head into the summertime right when most of this was, you know, just hitting the country and the world, that's when most of our expenditures would be recognized. And there was a concern that maybe we would again be faced with the challenge of not hitting our targets or our, you know, and primarily our community services not being performed.

But there was a massive effort, you know, on the part of our provider organizations as well as the Trust to coordinate ways to pivot and find alternative, you know, services that we -- our programs were still functional and operational.

And fortunately, we still are -- we're on track, you can see improved, you know, utilization of our existing program services and expenditures.

And so now, heading into our third year and current year that we're in, we've seen improved utilization of our contracts moving from somewhere in the range of I think, I'm trying to just look up the numbers, of around 11 percent to more around 8.5 percent now.

And we're, you know, we expect that number to improve each year. So -- and our goal again is to narrow this gap between budgeted expenditures and the realized expenditures as much as possible heading into future years and to the next funding cycle so that our forecasting model is as accurate as possible.

So now, I would, as I've explained it before, I would say that the Trust has operated in the last five to ten years within two environments.

You've had where you've had a revenue expansion period where revenues were not matching our expenditures thus creating the fund balance that was available at the beginning of the cycle. And now, we've moved into our current cycle where our expenditures vastly outmatch or are greater than the revenues that we're bringing in because we're supplementing the fund balance.

And now, probably coming up soon is our greatest challenge, right? It is having a handle on the knowledge about our existing services so that we can budget for and realize expenditures that are at equilibrium with the revenues that we are requesting.

So now, as we discussed before, given the current environment, we are headed into a unique year compared to what was originally forecasted.

Again, as I mentioned, most of this five-year cycle we expected four to five percent market growth per year. And now some of the early estimates coming in from the state and the county budgeting department is that they expect our property values to grow in the range of one and a half almost to maybe two percent, maybe 1.9 percent next year.

So, this essentially, even though growth exists within our market, this is still below what we expected when we designed the amount of expenditures that we put into our programs at the beginning of the cycle.

Now, the fortunate part is is that we do have some built-in flexibilities and options that this committee designed at the beginning of the five-year cycle just in case something like this happened.

So, in order to curb the effect of lost

revenue, we have the option of raising millage a little bit higher than maybe what we had originally predicted.

As Jim mentioned, we have a capital fund of around ten million dollars that maybe that could be repurposed and utilized for our program needs.

But primarily, even before discussing what the needs of our potential expansion or additional community investments, we have an issue of just needing to put revenue into our, you know, into our stream just to lessen the effect of what we're currently doing as far as driving down the fund balance.

It's our expectation by the end of the year that our fund balance, I would -- and I'm going to call it an adjusted fund balance and then explain that, but it approximately would be about 22.2 million dollars at the end of our current year, which goes below our target fund balance of about 29 million dollars.

Now, as Jim explained on our line graph chart, we are expressing or showing two different types of fund balance. So, 22.2 million dollars is a netted fund balance amount that considers what we had previously set aside for the capital funds that this, you know, that this committee had discussed in the event that we wanted to build a property or do, you know, do anything with that investment.

Now, if those funds were to be considered available and I'm not going to say released because they haven't ever been officially designated by the Board. But for the purposes of planning, if we consider that a part of our available fund balance then we expect to finish the year around 32.2 million dollars, which leaves us slightly above our target fund balance of about 29 million dollars.

And thus, again, considering the rate of spending that we are currently at, this leaves us with options now, since we do not quite fall below our target fund balance, that we can manage a millage rate that isn't quite as high as what has been forecasted here which includes half millage rates for the final two years of the cycle.

But in short, the committee and the Board needs to be aware of the fact that our budget, I would say from this point on, cannot necessarily be managed from a rollback rate perspective anymore.

The last four years we've adopted three rollback rates. One of those years was a tax increase, but not for the half millage rate.

So I would advocate or say that we are considering in these final two years, or we need to be considerate of the fact that we would need to adopt a millage rate that yields a tax increase announcement to the community.

But the -- maybe the subject of debate is how to consider the balance of using ten million dollars from an existing capital fund to maybe lessen the effect of the fund balance draw down and balance with the concept of what millage rates we will adopt heading into our TRIM season for the fiscal year ‘21-’22, and then next year to conclude our cycle for ‘22-‘23.

So, maybe I should -- with that I should take a breath. I probably missed, you know, a couple of my talking points, but I'm sure the questions will yield, you know, some of the gaps in what we need to address. So, I’ll let the -- I’ll just go ahead and turn it over to the floor and let our committee members ask questions.

MR. HOPE: Thank you, sir. I just have two quick questions. Can you scroll back up to the other sheet, please? Okay.

So as mentioned, the 22 million fund balance, the additional ten million was not formally designated by the Board.

So, given that the official fund balance as they projected at the end of the fiscal year will be 32 million dollars, correct?

MR. KIRTLAND: Correct. So, as it was mentioned by Branden in our CAFR presentation -- I'll just try to reconcile it for you. You see the '19-'20 year and how we had that the fund balance was 37.284 million dollars?

If you were to reconcile or trace that to the CAFR, the fund balance is actually ten millions greater than that, right? So, it's 47.2 million dollars. But for the purposes again, of this planning exercise, we had had extracted the ten million dollars from what we thought would be designated to a capital fund.

MR. HOPE: Okay. All right. So as we move forward, in the determination of the millage rate, without a board designation of that ten million dollars per capital -- or former board designation I would say, how would that impact the decision then on the millage rate for '21-'22?

Would a formal board designation be required for that ten million in order to at least make a case or an increase in the millage rate?

MR. HAJ: Mr. Chair if I may? Bill, let me jump in. So, what the recommendation from staff's going to be in the next couple of months is to release the ten million for the capital.

You know, we had this discussion pre-Covid. We're not in a place to pursue looking at a building, so we're in conversation with United Way.

We'd like to go back and extend the lease with United Way and try to lock down a rate now while the rates are low and extend it for a longer term, maybe to 2030.

It still gives us the ability in the contract get out at any time but gives a ramp (ph) and allows this money to go to program and services.

The other piece that we're missing, the capital, is that we also just came off a board retreat where the board members identified a lot of priorities, which we're going to be bringing back in April to the full Board.

So, at that time this designation doesn't say capital designation, but it could also be a programmatic funding to the additional funding to go out to programs.

But I really think that we take this in combination with what comes back in April and the

Board priorities with the retreat and the possibly additional funding for programs and utilize those funds appropriately.

MR. HOPE: Okay. Thank you, sir.

MR. SALVER: I had a question on the lease.

MR. HOPE: Okay.

MR. SALVER: So where are we at in the current lease and what would be the -- looking to negotiate with or just general thoughts obviously not holding that --

MR. HAJ: Current lease, we're -- in think we have until 2025. So, what we're looking in to -- we're actually in conversations this week and we're waiting -- we were supposed to have a conversation this morning before this meeting, is to go to 2030.

Again, see if we can take advantage of the market rates now and lock this away with flexibility to continue exploring options about future building, but we still haven't wrapped our minds around what a post-Covid work environment is.

So, we don't want to jump and make hasty decisions, and really just give us time and give us some runway to do this thoughtfully.

We will be coming back if we do bring back the extension of the lease and also ask for a small

dollar amount to reconfigure our office space that
we've been waiting for years and we have not, but I
think this is an appropriate time while our staff
is still working remotely before they come back and
do the office space appropriately.

MR. TROWBRIDGE: And what is the traditional
or typical out that we have? Is it a year? Is it
six months?

MR. HAJ: Correct me if I'm wrong, but I think
it's 90 days.

MR. TROWBRIDGE: I thought it is.

MR. ALI: Thirty days.

MR. HAJ: Thirty days, oh.

MR. TROWBRIDGE: And then I guess my last
question is, of that ten million, did you want us
to encumber some dollars and do exactly what you
talked about? Either reconfiguration or to allow
us to have some flexibility to bring in a team, if
we're going to go back to market?

MR. HAJ: Right. We had three quotes prior to
Covid. We just need to go back out and see if what
we design is appropriate in this day and age to
bring people back.

But we would like an appropriate -- less than
500,000. I don't think it'll be that much, but we

would like to lock away three or 400,000 to put out the reconfigure of our current office space.

The other thing beside Covid is, and we've talked about this for years, we have a lack of meeting spaces. We have to redesign the entire space and make it friendly and efficient, and effective for our work force.

MR. TROWBRIDGE: Thank you.

MR. HOPE: Jim, would you consider it shopping it out? I mean, now the conditions, the market conditions are good, and a lot of companies are considering not bringing their employees back. You know, shop it around. There are a lot of commercial options out there.

MR. HAJ: We have been looking at that as well. United Way historically, we are well below market rate. We're seeing what else we can do to continue to lock that away for nine more years, but we are looking at the market and seeing what else is out there, and the work force.

But the thing too is, you know, the pendulum swings. Now it's remote. We don't know what it's going to be like in years to come, so we want to have great flexibility for the office in designing it in such a way that could meet our needs well into the future after I'm gone, after this Board's gone, and I think we have the ability to pivot as needed.

MS. COLLINS: Mr. Chair, I have a follow up to this question. So, when you're doing your analysis, are you considering any other makeup of the staff as far as teleworking? Of being permanent teleworking and reducing the office space need and maybe more meeting space but less office space? Are you considering all of that?

MR. HAJ: Those were in the designs. That's why we have to go refigure it. We had these designs all wrapped up prior to Covid, so we need to go back and look, but we also don't know about -- we're looking right now at the social equity grant, putting it out. In the grant, we'd have to add more people.

We have -- we don't know -- we -- the organization ebbs and flows, so we need enough space to add people if we need to and create that workspace.

And to be honest, I don't know the right balance. That's why we need the experts to come in and help us, guide through this.

MS. COLLINS: I'm not sure how to ask a

question in this current situation, but through the chair, Steve.

MR. HOPE: Yes, ma'am?

MS. COLLINS: Yes, thank you. A couple of questions so I'll put them all out there at once. One is, is two months a sufficient reserve for the Trust?

Just recognizing we're coming off of unprecedented circumstances that I think all of us are looking at and question the reserves and are we adequately situationed for future unexpected circumstances.

Maybe variance on the virus or hurricane season, or any number of other issues that seem to be out there. And so, I would just ask whether the two months is really sufficient.

I mean, look at the ten million. I do think it makes sense just hearing the conversation but of course this needs to be amplified by Trust leadership about the remote and actual office space needs.

I do think it sounds like extremely important to have flexibility for the future and a building would tie the trust into a physical facility it may not need, whereas the lease does give you a lot of flexibility.

And then I also heard at the board retreat, a lot of needs expressed by board members across the spectrum about additional priorities given the impact of the pandemic, particularly the disproportionate impact on communities of color and marginalized subpopulations within the communities.

And it does seem that is a need whether it's the deeper mental health supports, the additional educational supports, the additional family and neighborhood supports that are going to be essential as we try to recover from what we have been going through and are still going through obviously, today being an example of that.

So, it would be nice to hear what the Trust perhaps has planned pragmatically, or the Board and Trust combined -- Trust leadership, on addressing those added needs because there definitely -- our community is really hurting, particularly in our poor neighborhoods. So, -- just those were my questions.

MR. HAJ: I'll start off with the first one, and Bill, you can chime in. For the two months operating, those are our Best Practices. In terms of cash flow, we really do not have an issue for most of the year as -- through September, October is really at the end of the year where we have some issues where we're -- the taxable don't start coming in until November, December.

So, the rest of it we pretty have -- we are cash heavy throughout most of the year. In terms -- for operational.

In terms of programmatic, if something else happens, how do we address the needs of the community? I guess that's something, you know, we've always had that balance -- well, we haven't always. We're always hitting at 70 million dollars. So, now it's becoming much leaner. So, those are things just to consider.

In terms of the programmatic, we are coming back in April from what compiling with the Board, what they're priorities were, so we can bring back the April. And then we will bring our recommendations alongside of it because we also want to have funding and support communities that, I'm not necessarily sure it's the right term, but -- ready.

We can't have a year or two to put out a solicitation. We need something to help fund, to provide the needs of the community as soon as possible.

And I think we have things in a pipeline that align with what the Board's discussion was. So, we're still just trying to compile all the discussion from the board retreat and bring it back in a package in April to the board's meeting.

MS. COLLINS: Thank you. Helpful to know.

MR. KIRTLAND: Do you want me to try to supplement that, Jim a little bit? I mean, you hit on all of the major talking points.

I think you -- yeah, you've heard a little bit about, you know, us and our discussions about cash flow. But Jim's exactly right about, I guess, the benefit of the Trust operating model compared to many other organizations and other non-profit organizations, right?

As our fund balance is not necessarily a compromise balance, you know, throughout the entirety of the year and, you know, as the revenues are for most organizations received, you know, maybe in a linear fashion and alongside their expenses throughout the year.

We're cash heavy in November and we manage a large fund balance that gets drawn down throughout the year as our provider services need those funds

heading into primarily, you know, the summertime
when at the end of the summer, our fund balance
gets at it's most lean until we are replenished by
the annual tax roll.
So, there's only maybe a month or two where if
the fund balance is low, it's actually compromised
in being able to support our provider services, and
maybe I'm jumping ahead to our monthly financial
statement discussion, but I know that there's been
concern in this environment about what tax
collections might look like this year given what,
you know, what individuals, you know, in our local
economy have faced as far as, you know,
unemployment and business shut down. But in our
collections thus far in this current fiscal year,
we had outmatched, as of December, the collection
rate of December 2019. The collections were
greater in 2020, which surprised me.
I would be interested to sort of double click
into that and understand why, but we are at a
collection rate of 80.6 percent of what we expect
in our revenues already for our current fiscal year
compared to last year at this point at 76.3
percent.
MR. HOPE: Thank you. I think Dr. Abrahante

has a question.

DR. ABRAHANTE: Yes, good morning. Could we go back to the previous slide for a minute? Great, thanks. In relation to the ten million dollars that are set aside or tagged for construction or acquisitional facilities, where would that be reflected in the budget if it's not in the fund balance?

MR. KIRTLAND: Jim, do you want me to answer that?

MR. HAJ: Yeah, please.

MR. KIRTLAND: Okay. Well, this -- in this exercise as I was saying, we have removed that -- that number just for the purposes of planning because we wanted to approach, looking at fund balance as the funds available to support our provider services.

But since the ten million dollars was to support capital fund, we wanted to plan our millage rate and expenditures thus accordingly to support provider services.

Now as I said in the budget, if you were to look at our TRIM budget schedules and our CAFR, that ten million dollars is never removed.

So, at looking at our fiscal year end fund balance and the CAFR report that was just presented, that ten million dollars is expressed.

We ended last year at 47.2 million dollars and that has the ten million dollars built within it because we have not had an official board, you know, designation to remove those funds or separately designate those funds.

In this planning exercise it's been removed, but also if you were to trace the -- our fund balance to TRIM documents and to our CAFR there's been no -- we have not extracted ten million dollars from what is the reported fund balance on all of those schedules, only in this planning document.

DR. ABRAHANTE: So, for my clarification for this document that we're looking at beginning in '17-'18, those ten million dollars are not there?

MR. KIRTLAND: Actually, in the '17-'18 there was no discussion at that point of this capital fund. I think where you see the primary change is from '18-'19 when we finish the fund balance. It was about 56.7 million dollars and then it drops to 37.2.

Between those two years is when we first had discussions, or during the fiscal year '20, we first had discussion of maybe setting aside that ten million.

So that was -- we probably had roughly a ten million dollar change in our fund balance due to just the, you know, the balance of our revenues and our budget.

But we also set aside the ten million dollars, so that's why you see approximately a 20 million dollar change there.

DR. ABRAHANTE: Okay. And so, the other issue that I wanted to share just, you know, from my perspective. Understanding the tremendous amount of needs that are in the community and the challenges that our parents, and children, and families are facing, I don't want to also forget the same challenges that the families that pay taxes are facing.

And in the current climate and with the tremendous increase in the property values in Miami-Dade County, totally inflated in my opinion but that's just me, people are paying a lot of taxes already on their homes based on the value that the county has given to the properties.

So, I just want to keep that in mind as we move forward because we are here for the entire community and many of the same people that are contributing to our costs are suffering themselves with the increase in property values and taxes that they've had to pay.

So, I'm very vigilant of that. That's something that I feel I have to bring up as a concern because we do impact the entire community with whatever actions we take.

MR. HOPE: Thank you, ma'am. But we have two other members who I think match you and also the Chair. Go ahead, Matthew.

MR. ARSENAULT: Thank you, Steve. I guess just a couple of questions. One, the provider expenses, are -- is it -- will -- is it possible that a lot of the expenses in the current year are just higher because of providers reacting to Covid and having to write -- I know PPE expenditures, things like that. Is that something that maybe is not necessarily going to be at as high a rate as it was this past year?

MR. HAJ: Matt, thank you. We had this discussion last week. Bill, do you want to chime in?

MR. KIRTLAND: I think maybe Stephanie might be surprised that I'm going to, like, maybe call her in to assist me with this because I was curious about what her perspective is with on the ground communications with some of the providers.

But I know that, you know, we had various responses this past year when it came to what I saw and recognized as expenditures. You know, we had some transactions that were, like, emergency funding opportunities that were direct funding of, you know, certain responses to the Covid pandemic, but we also worked with our providers to help them restructure as much of their existing contracts as possible so that they could refit the needs of their program.

So, some of what you're -- maybe what they incurred, you're right, Matt, might be that they have one-time expenditures in relation to adjusting to this new environment, but as what we know I think about PPE as it's sort of an ongoing expense as well.

There's a lot of, like, disposables that, you know, that you continue to have to replenish so not knowing when all of this, you know, will eventually return to a normal if ever, you know, we expect to still see, you know, a sufficient amount of, I think, PPE-related expenses built into the programs as they operate. Stephanie, do you want to maybe supplement that?

MS. SYLVESTRE: Yeah. Sure, Bill. You're right. I think what we'll see is, we'll continue as long as we have the pandemic going on, we have additional expenses related to PPE, to cleaning.

I think that there's also additional expenses related to delivery of service because of the ratio and that some services are having to be deliverable in person than virtual. And so, that requires additional staff to be able to do that.

I think that as we return to normal, we'll start seeing the expenses go back to where it was. There is a few budget analysis that we're doing ongoing to move money from line items that we know they're not going to spend such as field trips to cover those costs which is why you'll see in April when we bring a resolution to add additional dollars to some of the contracts.

It's not going to be a high -- a very high number because we have done extensive analysis and moving monies around the budget.

So, we are hoping and we have been working closer this year than previous years with our providers to ensure that they're spending their money efficiently and that we get to as close to zero as possible, just given the level of need that we have in the community.

So, we think that the spend will be right about what we targeted or maybe a little bit less. I'm sorry, a little bit more, so our number is a little bit less.

MR. ARESENAULT: Thank you. I just want to, you know, just to level some (ph), you know, and I understand we’re going through a process on this, right, to re-evaluate.

But I just want to commend staff for -- I mean, we’re at a rollback rate for three out of the last four years and program expenditures went from 110 million to 146 million dollars and you were able to do a rollback rate for three out of the last four years.

So, you know, the idea of -- well now, it seems like we’re heading to now a cycle where we’re going to have to operate, you know, with this regular adjustment of looking at what’s an appropriate tax increase and maybe not being able to -- rollback rate.

So, just -- I guess, understanding the committee’s mindset that, you know, we’re able to do that and it's great, you know, it was the right thing to do and now it's a little bit of a new normal in more ways than one is at least my perspective, and I look forward to staff's continued analysis of this and proposals.

MR. HOPE: Thank you, sir. Mr. Hoffman, the floor is yours, sir.

MR. HOFFMAN: Yes, well just following up on that briefly. I agree. I think we're looking at this projection of the cycle and we need to remember that this ten million dollar, whether it's capital set aside, is not included.

So I think that some of the concerns that I've heard like the, Magaly, the increase in tax rate. I think some of that can be offset by releasing, if that's the right word, or not considering this entire ten million dollars to be constraint on our budget because we're trying to, again, keep the fund balance in line.

I also think that the ten million dollars again -- there was a point year -- now, maybe a year, almost a year and a half ago where it seemed more imminent that we were going to spend significant funds on a capital project. I think that's not likely as we've heard before.

So, I would certainly, and not for the purpose of just changing the numbers, but I would certainly be supportive of doing whatever we have to release that back to the fund balance so that it's considered here, and it's considered in our spending opportunities as we look to how to spend properly in the coming year -- years.

So, I don't see that this reflects that we need to go to a full half millage or even significantly there -- towards there. I'm not sure that we'll be able to do the rollback rate though.

I do think, and I know that we've had in the committee over the years, I do think when we first looked at this, the biggest risk and the biggest challenge for Bill and staff was the utilization because we -- the biggest part of our budget, the 109 back in '17-'18 and a 139 in '19-'20 of direct services, we were running a utilization of, I think it was about 87 or 88 percent, meaning that 12 percent of what we were budgeting wasn't being spent every year.

So, that's been the biggest challenge and as Bill indicated for at least the past year, that gap has shrunk only in part due to the spending related to the pandemic, but also due to -- we've had

institutional changes, let's call them, over the
years and how we're contracting faster.
We're able to I think, move slots a little bit
better and I think that we should anticipate that -
- and we should hope that that utilization gets
better not worse, so that we're able to budget
exactly what we can spend.
So, I -- whatever -- I talked to Bill about
this before this meeting. Whatever we can do to
release the ten million dollars, I would be
supportive of.
Again, tt doesn't mean that we have a lot more
money to spend, but it does mean that we will look
at the budget going forward to achieve the same
result for the next two years.
We don't need to consider the half mil as the
target because we have -- again, we already have
the funds. They're in a reserve so to speak, and
we won't be spending them at least in the near
term.
And again, I think Jim mentioned that maybe we
need to start setting aside a smaller amount for
reconfiguration and I, you know, certainly fully
support whatever we can achieve with United Way or
someone else in the market, in the current market

conditions for the Trust space that we need.

MR. HOPE: Thank you. Just one question. Now, with the discussion on minimum wage, and how that will impact the budget in the future.

Have we done an analysis to see what our grantees are paying their staff in terms of -- are those -- are their current staff who fall below the threshold of let’s say $11 for example, and if the question is --

If the answer is yes, are we making any projections to the future that despite we might have a signed contract, will the Trust be wiling to maybe amend any of those grand allocations to take into consideration the impact of minimum wage amendments that may come in the near future?

MR. HAJ: Steve, I appreciate the question and this was talked about at the board retreat quite a bit. But we did this exercise probably a year or two ago regarding not minimum wage, but really elevating our lowest paid workers and how to do it.

And then we realized it was coming as a constitutional amendment. So, we did the exercise probably a year and half, two years ago. The constitution -- we put it on hold because we were coming back to the board to discuss this, but we said we'll wait and see what happens with the constitutional amendment.

We are in the process of doing this. We don't think there's going to be -- there's going to be a minimal impact for '21-'22 where the impact's going to start being seen as we get into '22-'23 and as we get up closer to the 15 years because as you know it goes up a dollar a year all the way up until '26.

So we don't think they'll be minimal impact. They'll be minimal impact next year, but it's really a long term and we are in the process of looking at that.

MR. HOPE: And just one question. Miami-Dade County has a living wage ordinance and I think it's about $15 and some cents right now for companies that contract with the county, and maybe for conversation in the future, the Trust may want to determine whether or not if they want to align itself with the county's living wage ordinance as to the minimum limit for which we would want to pay our grantees. So, just something for consideration in the future.

MS. COLLINS: Steve, this is Constance through US Chair (ph). I following on that as an agency that does contract with the county and is required to provide a living wage, I can tell you that the financial impact for the organization can be quite significant. And yet as we came through this pandemic and I saw my team -- my front-line team, all of them, putting literally their lives on the line with very little information about what they were facing, I felt that $15 an hour was wholly inadequate for what they had to experience.

And so, I would really urge us as an organization to really look at that because we're looking at service providers that are dealing with the lives of our children as a community and valuing our service workers whether they're childcare -- in childcare, whether they're in education, after school programming, or in our case providing shelter with supportive services. I think it's important to say that we value their role in supporting the health and wellness of children, all children.

And then I would also add, I think it might be helpful at the next meeting. I know this might be a difficult task, but to ask the question of the financial team, what is the actual impact on say, a homeowner with a home of $100,000 or $200,000 in

value of this -- of the different millage rates?
So if we go from a .507 to a .5000, what is the real impact? Is it $100? Is it $5? I don't actually know, and I think that might be relevant to our decision making here.
And then the last point I would make as a service provider that is, that cannot ever become remote because we're providing shelter -- for homes for those who have none.
The cost of operating has structurally changed, even as the pandemic, ultimately, we hope. Subsides the core cost of operating has changed because we have learned the importance of creating an environment that is preventive of the spread of contagious disease.
And so, whether it's on the straight operational side from, you know, cleaning protocols to technology that alters the safety of the air recirculating in your buildings, or whether it's recognizing that we have some big gaps to make up from an educational and health standpoint for children who have missed out on a year's worth of education or nearly missed out on it, maybe going on two years.
So, I do think that there was ever a time

where the Trust needs to be adapting to what's happening in the environment particularly for families that are struggling and there are certain areas that are struggling more than others, this is the time to do it. So, just some thoughts in that regard. Thanks.

MR. HOPE: Thank you, ma'am. Any other speakers?

MR. HINCAPIE: Steve, I have a quick question.

MR. SALVER: Yeah, I had my hand up.

MR. HOPE: Okay. What, sir.

MR. SALVER: And I have not spoken yet. I just want to, you know, make a couple of comments in regards to some of the things that were said. Some of them I agree with. Magaly, I agree with what you said, and there's a few things that were said by Constance that I'd like to address because she was asking what effect this has on a homeowner.

And it has different effects on different homeowners because we have -- I would say the vast majority of homeowners -- yes this, you know, this change from the rollback rate to the maximum millage rate allowed by law for the Children's Trust might have a pretty insignificant impact on their overall tax bill.

So, I mean, to answer your question, I would say the majority of folks won't pay more than you know, $50 or $100 or less than that.

But it's also -- we also have to consider two things. We have to look at the Children's Trust in a bubble because the federal government, and even the state government, has allocated an unprecedented amount of resources for response to Covid. And the federal government, specifically, continues to, you know, throw hundreds of billions if not trillions of dollars at this problem.

And I think, although it's a noble gesture to increase our millage rate on the local level, you know, I think we do have to keep in mind like Magaly said, other property owners, not just homeowners but commercial property owners, small business owners, you know, will have a significant impact by tax increases.

So, you know, I hope those comments are also factored in when we make a final decision when we come to budget and time.

MR. HOPE: Thank you, sir. Any other comments?

MR. HINCAPIE: Steve, through the chair. In '22-'23, there's an increase in the family and

neighborhood support line item of three million,
but the other line items don't have an increase.
Why is that?

MR. HOPE: Staff, would you like to address
that question, please?

MS. SYLVESTRE: Sure. So, we're projected an
increase as we look at that initiative. That's
currently funded at eight million and it's been one
of our lower funded initiatives and it's designed
to help family's stabilization.

We're going through the process of relooking
at the target population that we serve within that
initiative and we've noticed that there's a number
of target populations that we need to increase, and
by increasing that, we would need to increase
additional funding.

MR. KIRTLAND: Can I supplement that maybe :
just for their understanding, Stephanie? Like,
right in the way the cycles work right, and the
timing I think, right? It would be helpful to
probably understand why there's an increase there.

Like, so when, I think, when we arrived at the
end of this cycle and we're planning for the
solicitations that we're going to release for our
parenting, early childhood, youth development, and

health and wellness, you know, we'll have as a committee and, you know, as a board, a discussion about what kind of level of increase do we want to invest in those programs at that time.

But I believe -- but I might be wrong, right Stephanie, is that we have a slightly misaligned cycle for the family and neighborhood supports initiative where that solicitation might be coming earlier than the rest of those.

So that's why we've already planned upon maybe, you know, how we would supplement our increased spending for that initiative in the last year of this cycle because that would be the first year of their new cycle.

MS. SYLVESTRE: Agreed, agreed. So, this initiative is scheduled for release, -- will be put off in January of '20-'22 with the expectation that contract will be effective October 1st.

And as I mentioned previously, the expansion to include additional target population and even some of the populations that we serve, such as LGBTQ Youth and foster care children, expanded services to them.

Also, high ability -- high ability youth that currently doesn't nave any special designation within this initiative.

So, we're still finalizing what the actual additional funds will be and then of course, it's ultimately determined by the amount of applications we get and what programs we decide to fund.

MR. HINCAPIE: Thank you.

MR. HOPE: All right. Thank you very much. Any other contribution to this topic before we move on to the next item in the agenda?

MR. KIRTLAND: Steve, I don't know if I have much more to contribute, but I guess just in summary of I guess the reason we, you know, wanted to have this discussion today, and I don't think we've ever had it in March before.

It's just we wanted to bring it to our committee members and our board member's attention, you know, soon after the board retreat with as many members in this meeting. I've already discussed that there are, you know, other opportunities of areas of need that, you know, have been discussed previously.

So, we wanted to just bring context as early on in the process. I mean, we still have April and May to think about this and contemplate before, you know, bringing suggested budgets in the preliminary, you know, TRIM processes of presenting budgets in June and July before going into September TRIM meeting.

So, this is just to set the stage I suppose, for an understanding of where we need to go sustain fund balance and millage rates as many of those topics -- just have to be about where the needs fit in.

MR. HOPE: And we appreciate it. And I think this will create a forum for committee members to start thinking about some of the issues raised.

Minimum wage, increasing programming costs and different line items, and hopefully by the time that we got to the draft budget period, I think you know, folks would have conceptualized what that represents. So, thanks again.

The next item on the agenda is the CEO report. Mr. Haj, I will turn it over to you, sir.

MR. HAJ: Mr. Chair, thank you. I'd just like to go back to the CAFR to make sure we have a direction moving forward. So, leave the suggestion for the CAFR?

MS. KOBRINSKI: Yes. Because the committee members didn’t receive a copy of the draft before, I would advise that you withdraw your approval of it, so the board chair can still take the full -- complete report to the full board meeting on March 15th with good cause. But I would advise that you do a Motion to Reconsider followed by a Motion to Withdraw Prior Approval.

MR. HOPE: Okay.

MR. HINCAPIE: Do I just --

MS. KOBRINSKI: No.

MR. HOPE: Okay. So can we -- so, we'd have to have a Motion to Reconsider; is that correct?

MS. KOBRINSKI: Yes. So, the motion could --

MR. TROWBRIDGE: I'll move it, Trowbridge.

MR. HINCAPIE: Second, Hincapie.

MR. HOPE: Okay. All in favor?

ALL: Aye.

MR. HOPE: All opposed?

MR. HOPE: Okay.

MS. KOBRINSKI: And now a Motion to Withdraw Prior --

MR. HOPE: The motion has been withdrawn.

MS. KOBRINSKI: No, we need a Motion to Withdraw the Prior Approval.

MR. HOPE: Okay.

MR. HINCAPIE: Does it have to be by --

MR. TROWBRIDGE: Salver. You made the motion.

MS. KOBRINSKI: Mr. Salver, are you there?

MR. HINCAPIE: I thought I made the motion. Oh, no. He did.

MS. KOBRINSKI: It was Salver and then Collins.

MR. TROWBRIDGE: Yeah, yeah. You did the same?

MR. HINCAPIE: Issac.

MR. TROWBRIDGE: I think Isaac has to make the Motion to Withdraw.

MS. KOBRINSKI: Is he still with us?

MR. TROWBRIDGE: Is he still here?

MR. HOPE: Isaac, are you still here?

MS. COLLINS: Then can I make the motion? Okay. All right. Motion to Withdraw Prior Approval, Collins.

MR. TROWBRIDGE: Hopefully --

MR. HOPE: Can we have a second, please?

MR. TROWBRIDGE: Trowbridge seconded.

MR. HOPE: All in favor?

ALL: Aye.

MR. HOPE: All opposed?

MR. TROWBRIDGE: I believe we can still hear this on March 15th, correct?

MS. KOBRINSKI: Yes. The board chair can take

it for good cause to the full board without going -
-

MR. TROWBRIDGE: Thank you.

MR. HOPE: Thank you.

MR. HAJ: All right. Thank you, everyone. We apologize for the CAFR not being attached. It is in your inbox right now. It was emailed to you and then we'll bring it to the full Board.

I just want to -- a couple of thank you's. Thank you for -- to this team, to the finance team, the finance committee as well as Bill, Wendy, and their entire team to have the CAFR presented to us today.

And I think this has been seven years in a row, eight years, Bill? That we have had this type of recognition. I think we take it for granted sometime, but there's a lot of work behind the scenes for this to take place. So, I want to thank the finance committee for your work and also the finance team.

I'd also like to take the opportunity to thank Steve. This will be Steve's last month as the finance -- last meeting in the finance committee and as chair of the finance committee.

So Steve, you've had a remarkable run to really take this finance committee from leading the fund balance discussion, the -- I guess you could - - and on a better note than the day that they come and present the CAFR awards where you have no audit exceptions, and really bring the Trust in a great place financially.

The plan that was developed years ago worked, and it worked exceptionally well. So, thank you, Steve for your leadership, for your dedication, for your commitment the past six years, and I know that you will be around to formally say goodbye to at the board meeting. But I think this committee is extremely appreciative of your work. So, thank you, Steve.

MR. HOPE: Thank you, sir. And again, I want to extend my thanks to the staff and the Board and committee members for their support during my tenure.

It is my hope that my time on the committee has created some value to the organization and the community.

And I think during the six-year period I was able to develop a great professional and personal relationships both with staff and board members, and for that I'm eternally grateful.

While Imran may disagree, I'm leaving the Board more knowledgeable and smarter than when I started, so I want to, you know, thank, you know, everyone for contributing to my, you know, getting a better understanding and learning of the corporate governance as a whole, and I do appreciate that. So, thanks again and I will always be in support of the Trust. So, thanks very much, Mr. Chair.

DR. BAGNER: Thank you.

MR. KIRTLAND: Can I add too as well? I know I've been very longwinded at this meeting, so I’ll be quick. Steve may or may not remember about ten years ago when I wasn’t even at the Children's Trust. I was an auditor with the firm that was auditing Miami Children’s Museum when he was the CFO at that organization.

So, when I first saw Steve it was probably through, like, some conference room glass and then I never thought I would run back into him years and years later at the Children's Trust and, you know, to which I'm very grateful.

You know, Steve has worked alongside myself -- Trust -- you know, and Trust staff very closely, so that he himself would have the best understanding of these types of, you know, the -- our strategies and our practices.

I've seen Steve literally walk the floor at the Children's Trust speaking with various finance staff members to make sure he had an awareness and an understanding of even our most detailed, you know, operational practices.

And then often times, you know, our preparation phone calls for these meetings were often the hardest part of the meeting that I would have because he would have very detailed and very, you know, challenging questions in preparations for these meetings.

And I think in large part that's why, you know, we were so -- well, you know, we've been, from my opinion you know, well prepared and, you know, for these kinds of conversations.

So, I've been very grateful for my time working very closely with Steve as I know the Trust staff has been grateful working close with Steve and we're going to miss having those types of conversations and interactions with you.

MR. HOPE: I appreciate it. Thank you very much.

MR. HAJ: Steve, congratulations. And as

Steve leaves, we're going to need new leadership for the committee. The nominating committee has -- will be bringing it to the full Board Mark Trowbridge as the next finance chair if they accept at the Monday meeting in two weeks. So, Mark would be leaving this committee, and I just want to thank everybody for being here.

As Bill said, we brought this months ahead of time because of this discussion, because of the discussion for the retreat (ph), because of discussion of the millage rate.

But more importantly because of the need of this community, and how do we balance the millage rate, being financial responsible in meeting the needs of the community probably when they need us the most.

So, this is a first of -- like Bill said, we have until June, so we really need to start making firm decisions. What we really are wanting to hear from Bill and get some feedback and this will be guiding the next three or four meetings moving forward. Thank you, everyone.

MR. HOPE: Thanks again. Do we need a Motion to Adjourn? Yes, we do.

MR. TROWBRIDGE: So moved, Trowbridge.

MR. HOPE: Can I have a second?

DR. ABRAHANTE: Second.

MR. HOPE: Okay. All right. All in favor? Aye?

ALL: Aye.

MR. HOPE: Thank you very much, everyone. Have a wonderful and safe day.

MR. TROWBRIDGE: Congratulations, Steve.

MR. HOPE: Thank you to all.

MR. HAJ: Thank you.

(Whereupon, at 10:38 a.m., the meeting was adjourned.)

CERTIFICATE OF TRANSCRIBER

The above and foregoing transcript is a true and correct typed record of the contents of the file, which was digitally recorded in the proceeding identified at the beginning of the transcript, to the best of my ability, knowledge, and belief.

Signed this 4th day of April 2021.

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Brenda Saliba, Transcriptionist