



**BOARD OF DIRECTORS
MEETING MINUTES
March 20, 2014**

Meeting: Early Learning Coalition of Pasco and Hernando Counties, Inc.
Board of Directors Meeting

Day/Date/Time: Thursday, March 20, 2014 at 8:30 a.m.

Location: Early Learning Coalition of Pasco and Hernando Counties, Inc.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Board of Director Members Present: Dr. Bonnie Clark, James Cook, Joan DeMauri, Cathy Dofka, Gus Guadagnino, Pat McHugh, Dave Meglay, Jean Rags, Toni Watkins

Board of Director Members Present via Phone: Marsha Carpenter, Joe Mascaro, Angela Porterfield

Board of Director Members Excused: Dr. Steve Kanakis, Chair; Dr. Steve Knobl, Beth Narverud, Heidi Rand, Diane Rowden

Board of Director Members Absent: Josh Kelly

Coalition Staff Present: Danielle Berche, Kim Borrego, Bev Doucet, Pattie Eacobacci, Jim Farrelly, Jak Jakubauskas, Betsy Kier, Chris Nelson, Sherri Sabadishin

Guests Present: Mr. Eric Fontana, Fontana CPAs

I. Welcome and Call to Order – Mr. Dave Meglay, Vice Chair

In Dr. Kanakis' absence, Mr. Meglay called the regularly scheduled meeting of the Early Learning Coalition of Pasco and Hernando Counties, Inc. Board of Directors to order at 8:34 a.m. He welcomed attendees and introductions were made.

II. Action Items

• Adoption of Agenda

Mr. Meglay requested a motion to adopt the agenda. Mr. Guadagnino so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried. (Action Item #1314-32)

- **Approval of Minutes, February 27, 2014 Board Meeting**

Mr. Meglay requested a motion to approve the minutes of the February 27, 2014 Board Meeting. Dr. Clark so moved and Mr. Guadagnino seconded the motion. All were in favor with no abstentions and the motion carried. (**Action Item #1314-33**)

- **Treasurer's Report – Mr. Pat McHugh, Chair**

- A. Financial Statements – February, 2014**

Mr. McHugh deferred to Ms. Berche to review the financials and explain the Cost Allocation Plan. Ms. Berche reported that the Coalition's Administration spending was at 3.36% for the month and 3.38% YTD; Non-Direct spending was at 7.09% for the month and 6.54% YTD; Quality spending was at 7.31% for the month and 5.56% YTD; and Direct Services was 82.24% for the month and 84.52% YTD.

VPK Administration spending was 2.82% for the month and 3.74% YTD which is under the allowable maximum of 4%. Direct Services was at 97.18% for the month and 96.26% YTD.

Ms. Berche then reviewed the Cost Allocation Plan explaining it covered administrative costs, mainly salaries and items such as audits, Board insurance, and legal fees. To help keep administrative costs at a minimum, a cross pool for field offices was created based on hours worked in the field. This reduces overall administrative costs and has been approved by OEL. Ms. Berche explained that administration would be charged when field office staff participate in staff meetings.

Mr. Meglay requested a motion to accept the Financial Statements for February, 2014 as presented. Mr. Guadagnino so moved and Dr. Clark seconded the motion. All were in favor with no abstentions and the motion carried. (**Action Item #1314-34**)

III. Remarks from the Chair/Executive Committee Report – Mr. Dave Meglay, Vice Chair

- **Executive Committee Update**

Mr. Meglay explained the Executive Committee had met to review and discuss the audit that is being presented this morning by Mr. Eric Fontana of Fontana CPAs.

Mr. Fontana began with the audit explaining the Independent Auditors' Report on the first page. He then reviewed the Statement of Financial Position explaining net unrestricted assets reflect \$90,670 and the Statement of Activities Report shows the Coalition is true in its efficiency. Mr. Fontana explained the net asset reflected (\$305,969) was from a previous audit.

Mr. Fontana reviewed several of the Notes to the Financial Statements beginning with #6 on page 9 and explained that as 99.74% of the Coalition's revenue is from the state, the Coalition is required to comply with FDIC insurance coverage. Additionally, #9 on page 11 was a prior period adjustment shown as a liability of \$310,000; it has been on the books since FY 2011. Mr. Fontana spoke with the Inspector General on this amount who

stated the Coalition owed no funds to the state. Mr. Fontana also noted that several assets were removed from the last audit that should not have been. On page 15, one Material Weakness was noted whereas in last year's audit, five (5) were noted. Mr. Fontana explained it was important to note that a great deal of testing of compliance and internal control issues had been performed and all findings were good.

Mr. Fontana then referred to the Board letter explaining the Material Weakness is noted in the Significant Adjustments and was due to thirteen (13) adjustments from the current year and three (3) from the previous year being recorded to net income in the amount of positive (+) \$84,000. Additional notes included match not being raised and Mr. Fontana stated that information he received from OEL has noted this deficiency, but no changes to the budget are indicated.

Another item was a Potential Conflict of Interest as a previous Interim Finance Director could have a conflict of interest with the auditor of record as no Independence of Fact or Independence of Appearance was noted.

Mr. Fontana recommends a reconciliation of invoices submitted to OEL and the funds received be incorporated as well as establishing a formal year end close process to ensure that accrual entries have been properly recorded. A final recommendation was to have journal entries reviewed on a monthly basis by someone other than the Accountant or Finance Director.

Mr. Farrelly explained that the majority of the findings will be now be handled by SAGE and the Coalition's Finance and Accounting Policies will be updated to reflect the recommendations.

Mr. Meglay requested a motion to approve the Audit for FY 2013 as presented by Mr. Fontana. Dr. Clark so moved and Mr. Guadagnino seconded the motion. All were in favor with no abstentions and the motion carried. **(Action Item #1314-35)**

- **Annual Board Reorganization**

Mr. Meglay explained that as per the Coalition's Bylaws, a new Vice Chair must be selected from Hernando County and requested nominations from the floor.

Mr. Cook nominated Mr. Gus Guadagnino and Dr. Clark seconded the motion. As there were no other nominations from the floor, Mr. Meglay requested a vote on the motion. All were in favor with no abstentions and the motion carried. **(Action Item #1314-36)**

- **Ratify Committee Membership, FY 2014-15**

Mr. Meglay requested a motion to ratify the Committee Membership for FY 2014-15 with the addition of Mr. Guadagnino to the Executive Committee. Mr. McHugh so moved and Dr. Clark seconded the motion. All were in favor with no abstentions and the motion carried. **(Action Item #1314-37)**

IV. Utilization Reports – Ms. Betsy Kier, Assistant Executive Director

Ms. Kier reported the wait list remains at zero and a surplus of approximately \$400,000 is being projected. She explained VPK enrollment is down by 32 children and the Coalition will continue to see the numbers decrease each month until the start of the new school year. She reported the new VPK on-line system has had 1,000 applications submitted with approximately 800 certificates being issued for the new school year.

Mr. Meglay inquired what additional plans are being considered to utilize the surplus. Mr. Farrelly urged caution as the historical attrition of 6-8% has not been realized and 100 new enrollments will utilize the majority of the surplus. However, the attrition percentage is beginning to increase as more children were terminated this month. Mr. Farrelly stated the budget will be reviewed next month and he predicted that by June 30, 2014 there will be no funds remaining in the School Readiness budget.

V. Finance and Audit Committee – Mr. Pat McHugh, Chair

• **First Reading, Cost Allocation Plan**

Mr. McHugh reported the Cost Allocation Plan (CAP) has been negotiated with and approved by the state. Mr. Farrelly explained the CAP has been a work in progress for the past two (2) years and was finalized by the state on Monday, March 17, 2014. Mr. Farrelly recommended approval as the state auditors will be on-site on April 7, 2014 and if the CAP is not in place, the Coalition will be cited.

Mr. Meglay stated he would not recommend a vote on the CAP as it has not been reviewed. He would like to see the CAP brought back to the May Board meeting for a second reading.

On Mr. Farrelly's recommendation, Mr. Meglay requested a motion to accept the Cost Allocation Plan as a First Reading. Mr. Guadagnino so moved and Ms. Dofka seconded the motion. All were in favor with no abstentions and the motion carried.

• **Review/Approval, Travel Policy Revisions**

Mr. McHugh explained the Travel Policy has been modified to reflect that some latitude on overnight travel be awarded to the Executive Director based on individual travel. The revisions will bring the policy into compliance as required by the state.

Mr. Meglay requested a motion to approve the Travel Policy Revisions. Dr. Clark so moved and Mr. Cook seconded the motion.

Ms. Rags requested discussion and inquired why in-state travel was not noted, why actual hotel costs were not taken into consideration, why storage fees are indicated and questioned the submission of travel forms for reimbursement.

Ms. Berche explained the policy mirrors that of the state and the state focuses on anything over 50 miles. All required fees must be submitted for prior approval to the Executive Director and the Coalition requests three (3) quotes from staff from hotels prior to travel.

A complete breakdown of all travel costs is submitted and if travel is deemed as too costly, the request is rejected.

Mr. Meglay stated these are the state's minimum requirements and requested Board members submit a list of what they would like to see included in the policy and the Travel Policy will be brought back for a third reading to the May Board meeting.

Mr. Meglay recommended the approval of the second reading of this policy and its return with revisions as recommended by the Board. As a motion was on the floor, a vote was called. All were in favor with the exception of Ms. Rags who was opposed. **(Action Item #1314-38 – not approved)**

- **First Reading, Conflict of Interest Policy**

Mr. Farrelly explained this policy also mirrors the state policy and is required for the upcoming state audit.

Mr. Meglay requested a motion to accept the First Reading of the Conflict of Interest Policy as presented. Ms. Dofka so moved and Dr. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

VI. Program Committee – Ms. Jean Rags, Chair

- **Committee Update**

Ms. Rags explained the Committee had reviewed the QRIS (Quality Rating Improvement System) and Ms. Borrego had provided information on the system which would be utilized as a tool to promote continuous quality improvement. Nine (9) other Coalitions are currently utilizing a QRIS program with the ELC of Duval being the first to do so. Additional information will be brought back to the Committee for their continued consideration at the May meeting.

- **Presentation, 2013 VPK Readiness Rates – Ms. Kim Borrego, Program Manager**

Ms. Borrego explained the VPK Readiness Rates showed that 5,921 children were served in FY 2012-13 by 195 providers. The Readiness Rate is a measure used by kindergarten teachers within the first thirty (30) days of school to determine how well VPK teachers prepared the children.

Ms. Borrego reported that 161 providers had successful Readiness Rates and twenty-two (22) failed to meet the minimum Read-Rate and were Providers on Probation (POPs). Of these, sixteen (16) are appearing on this list for the first time, one (1) provider on the list for a second year has closed, two (2) providers on the list for a third year resulted in one center closing and the other not offering VPK. Ms. Borrego explained this provider will not apply for a Good Cause Exemption so the provider will not be able to offer VPK for the next five (5) years.

Ms. Borrego reported that POPs are offered trainings and additional technical assistance from Coalition staff.

VII. Quality Committee – Mr. Joe Mascaro, Chair

- **Committee Update**

Mr. Mascaro reported that six (6) providers were approved for incentive grants during the March meeting. He requested Ms. Borrego address the plans to spend \$15,497 returned to the Quality Budget and the \$150,000 added to the Quality Budget.

Ms. Borrego reported that with the \$15,497, forty-two (42) classroom library kits for science and social/emotional education were ordered and will be delivered to the Training Specialist who will review the material and begin to set up trainings. Additionally, four (4) scholarships to the Family Child Care Home Conference scheduled in July are being offered. Deadline for submission of applications and essays is April 1st and to date two (2) providers have submitted applications; NAEYC memberships will be secured for new enrollees in the Leadership Academy and Foundations of Excellence trainings as well.

With the \$150,000, \$100,000 has been designated for twenty (20) grants of \$5,000 for quality improvements to provider classrooms and/or play grounds. To date, four (4) providers have submitted their application, essay and list of items to be purchased. \$11,000 has been set aside to order an additional 30 Second Step social/emotional kits to distribute to teachers upon completion of a training and finally, \$39,000 for the purchase of E-readers for the local libraries has been discussed with library representatives from both counties and the Coalition is awaiting some final details before moving forward.

VIII. Match Fundraising Committee – Dr. Bonnie Clark, Chair

- **Committee Update**

Dr. Clark reported that approximately \$18,000 in match dollars has been raised to date and the Coalition is working with OEL to acknowledge the value of in-kind items to be able to apply that donated amount toward match. She reported that Mr. McHugh is working on putting together a beer sampling event and the Committee has moved the Wine Tasting event to the spring when it will be held on a Saturday evening combined with a children's art exhibit.

The Spelling Bee will be held on Saturday, July 26, 2014 and the same venue has been secured by Mr. Guadagnino. Dr. Clark requested members to begin bringing items to all future meetings that can be used as raffle prizes. She suggested items such as wine, cheeses, gift cards, etc.

IX. Ad Hoc Board Self-Evaluation Committee – Mr. Jim Cook, Chair

- **Review/Approval, Board Self-Evaluation Survey**

Mr. Cook thanked Committee members and staff for their input and assistance on the survey. He explained the purpose of the survey was to identify the Board's strengths and weaknesses and to make improvements. He stated that eight (8) recommendations to the survey are being presented for approval.

#1 – Mr. Cook moved to have the entire Ad Hoc Committee replaced with new members; Ms. Watkins seconded the motion. Mr. Meglay inquired, for continuity, if it would be better to replace only half the committee. After further discussion, Mr. Cook agreed to revise his motion. Ms. Rags then moved to dissolve the Ad Hoc Committee and bring the issue of the survey to the full Board; Dr. Clark seconded. All were in favor with no abstentions and the motion carried.

#2 – As the Committee felt the survey was too long, eleven (11) questions were eliminated, but several new ones were added. After reviewing the eliminated questions, Mr. Cook moved to accept the self-evaluation survey as presented; Ms. Rags seconded. All were in favor with no abstentions and the motion carried. **(Action Item #1314-39)**

#3 – Mr. Cook reviewed the four (4) new questions that were added and moved to accept; Mr. McHugh seconded. All were in favor with no abstentions and the motion carried.

#4 – As one-third of the Board did not submit the survey, possibly because the survey would not allow them to submit without completing all questions, an “out” was added for each question. Mr. Cook moved to accept this recommendation; Ms. Rags seconded. All were in favor with no abstentions and the motion carried.

#5 – Mr. Cook moved that it be mandatory for each Board member to fill out the survey; Mr. McHugh seconded. Mr. Meglay inquired how filling out the survey could be mandated and Mr. Cook replied it could be added to the Bylaws as a requirement of membership. After a brief discussion, Ms. Rags recommended a caveat as to a mandate. No action was taken on this recommendation.

Mr. Cook explained that one question resulted in 100% of the Board stating they did not want an invitation to a Board Orientation meeting, however, on the next question they all commented on what they would like to have presented at the next Board Orientation. Ms. Rags inquired if the Ad Hoc Committee is in the Bylaws and Mr. Farrelly explained it serves at the pleasure of the Chair.

Mr. Cook reported that 83% of the respondents stated they had engaged in a strategic planning session, but a strategic planning session has not been held in over eight (8) years. Ms. Rags inquired if a strategic planning session was required by the state and Mr. Farrelly explained it was not. Mr. Cook recommended changing the name from Strategic Planning to Goal Setting.

Mr. Meglay stated that all of these items are Board issues and recommended giving Dr. Kanakis an opportunity to review the issues on a one-on-one basis rather than with the full Board. Mr. Cook stated these issues need to be addressed by the full Board.

#6 – The Committee recommended that a new sign-in sheet be created that showed attendance at all meetings. This sign-in sheet has been created and is currently being utilized. Mr. Cook moved to accept this recommendation; Mr. Guadagnino seconded. All were in favor with no abstentions and the motion carried.

#7 – The Committee recommended that the grading system be increased from 1 to 5 to 1 to 10 for the majority of questions. Mr. Cook moved to accept this recommendation; Ms. Rags seconded. All were in favor with no abstentions and the motion carried.

#8 – The Committee recommended that Board members be given the evaluation survey to complete at a Board meeting having a light agenda. Mr. Cook moved to accept this recommendation; Ms. Rags seconded. Mr. Meglay stated his issue was that the Board should not be convened for a light agenda due to members' time constraints. Mr. Farrelly stated that since the Board only meets six (6) times a year, there are very few light agendas. Mr. Meglay requested a vote to the recommendation. All were in favor with no abstentions and the motion carried.

X. Executive Director Report – Mr. Jim Farrelly, Executive Director

A. Approval, Membership Agreement with 2-1-1 Tampa Bay Cares

Mr. Farrelly explained this is an agreement with a contractor for the United Way of Pasco and Hernando who refers families needing childcare services to the Coalition. Mr. Meglay requested a motion to approve the agreement with 2-1-1 Tampa Bay Cares. Mr. Guadagnino so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried. (**Action Item #1314-40**)

B. Renewal of Auto Owner Insurance

Mr. Farrelly explained this insurance, in the amount of \$545.33 is to cover the contents of the mobile outreach vans including the WASPS. Mr. Meglay requested a motion to approve the insurance renewal. Mr. Guadagnino so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

C. Approval of Invoice - \$9,693

As this invoice is in excess of \$5,000, Mr. Farrelly requires Board approval to authorize payment. He explained this invoice was for thirty (30) Second Step learning kits for providers. Mr. Meglay requested a motion to approve the invoice in the amount of \$9,693 to Committee for Children. Mr. McHugh so moved and Ms. Watkins seconded the motion. All were in favor with no abstentions and the motion carried.

D. Coalition Update

Mr. Farrelly recognized Ms. Berche and thanked her for nearly two (2) years of service that included the implementation of SAGE.

Mr. Farrelly reported that the legislature has a new bill, HB7069 on the docket and it concerns quality improvements for childcare centers, but primarily relates to DCF.

Mr. Farrelly reminded the Board that Storybook Forest will be held on Saturday, April 5, 2014 with a ribbon cutting ceremony scheduled for 10 a.m. and the park will be closed to other events for the day. Mr. Chris Nelson, one of the Mobile Outreach Specialists, created a video to promote the event and the video is currently posted on the Coalition's Facebook page. The video was played for the Board.

XI. New/Unfinished Business

Ms. Rags stated she had discovered a number of organizations that could assist with the search for a new Finance Director. This information will be emailed to Mr. Farrelly. He stated two (2) interviews with promising candidates have been scheduled.

XII. Public Input

Ms. Watkins remarked that as a provider she has listened to comments made that included providers want only financial support for their business and also for the Coalition to pay for everything. She stated this is not true of all providers and many things are needed within a center to offer specialized care. The subsidized amounts received do not support a center's program and many are not able to purchase necessary items. Ms. Watkins brought a copy of her center's budget for members to review.

Ms. Watkins urged Board members to tour childcare centers and see how different centers are managed within East and West Pasco and Hernando Counties. She suggested taking a morning tour and volunteered to serve lunch at her center to discuss what was seen on the tour. She recommended requesting to see a center's budget.

XIII. Adjournment

Mr. Meglay requested a motion to adjourn. Ms. Rags so moved and this meeting of the Board of Directors of the Early Learning Coalition of Pasco and Hernando Counties, Inc. was adjourned without further discussion at 10:37 a.m.

Respectfully submitted by:

Ramute "Jak" Jakubauskas
Administrative Assistant