



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Monday, July 21, 2014, 4 p.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Committee Members Present: Pat McHugh, Chair; Dr. Amy Anderson, Jim Cook

Committee Members Present via Phone: Cathy Dofka

Committee Members Excused: Gus Guadagnino

Committee Members Unexcused: None

Coalition Staff Present: Kim Borrego, Rachel Hardy, Jak Jakubauskas

Others Present: None

I. Welcome and Call to Order

Mr. McHugh called the Finance/Audit Committee to order at 4:01 p.m. and welcomed Committee members.

II. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of May 19, 2014

Mr. McHugh requested a motion to approve the minutes of the May 19, 2014 Finance/Audit Committee meeting as presented. Mr. Cook so moved and Dr. Anderson seconded the motion. All were in favor with no abstentions and the motion carried.

III. Review, May/June 2014 Financial Statements

Ms. Hardy reported there is a \$248,000 deficit for FY 2013-14 which will roll over into the new budget. She explained that she will be working with Mr. McHugh on a new forecasting model.

Ms. Hardy explained the deficit is due to the state's mandatory enrollment of Protective Service and TANF children into School Readiness. Between April and June, approximately 700 children were enrolled with 294 being enrolled in June. A brief discussion followed on the causes related to this large number of children requiring mandatory services which runs counter to an improving economy.

Ms. Borrego explained that with the passage of HB 7165, eligibility priorities changed and the Coalition is now beginning to see the results.

Ms. Hardy reported that the Coalition was able to close FY 2013-14 well within the required spending categories.

Mr. McHugh requested a motion to accept the Financial Statements for May/June, 2014 as presented. Dr. Anderson so moved, but Mr. Cook abstained from the vote. No action was taken on the motion.

IV. Forecasting for SR Direct Services Spending

Ms. Hardy explained the actual deficit amount is \$248,306.24 and new forecasting model will be developed for this fiscal year.

V. Review, FY 2015 Operating Budget

Ms. Hardy distributed the (attached) budget and budget narrative. Mr. McHugh explained the \$248,000 deficit has been absorbed into this budget and the budget provides the same level of School Readiness funds as last fiscal year.

Ms. Hardy verified that the budget amount for School Readiness Direct Services will be the same amount as last year and no children will suffer. (Ms. Dofka called in at 4:26 pm.) She explained that one of the areas that will be affected is the Quality Budget with the elimination of the Quality Incentive program for providers. However, to supplement the Quality Budget, she reported that a new Quality funding grant for \$10 million has been approved by the legislature and Coalitions will begin to see these funds this year.

Ms. Hardy reported that other affected areas include staff as a net reduction from three (3) Reimbursement Specialists to two (2) has taken place, transferring a Mobile Outreach Specialist to the open Accountant position and the addition of a Supervisor of Instructional Programs. Ms. Hardy also explained that the new budget now includes the annual 4th quarter employee health increase, contractual salary increases for certain staff and an increase in the 403B plan from 3% to 5%. The budget also reflects that only one (1) van is included in the budget as the other van will be stored due to the high increases of repair to the vehicle.

Amendment added from August 18, 2014 Finance/Audit Committee Meeting to indicate the following correction to the minutes: Mr. Cook stated he had an amendment to the third paragraph of Section V. Mr. Cook explained the record should show that he questioned the validity of increasing the 403B plan from 3% to 5% as no one he knows in the corporate world offers 5%. He stated this is the reason why he did not make a motion to approve the operating budget because of the increase to 5%.

Mr. Cook also noted that 14% of the population has some form of 401K and the Federal Reserve states that 31% of households in the United States have some type of retirement plan.

Minutes continue:

Mr. Cook inquired what the cost would be to do payroll in-house. Ms. Hardy explained the Coalition would need to purchase the SAGE payroll and human resources modules for approximately \$8,000 whereas the Coalition is currently paying ADP approximately \$200 per payroll.

Ms. Hardy explained that as Gold Seal Provider payments are charged to Quality, these payments will exceed the 4% minimum required by the state.

Mr. McHugh requested a motion to approve the FY 2015 Operating Budget as presented. Discussion followed, but no motion was made and Mr. McHugh tabled the motion.

Dr. Anderson inquired about the reduction in audit fees and Ms. Hardy explained that additional fees were created by new auditors last year as they had to resolve old issues. Those issues will not be reflected in this year's audit resulting in lower fees.

VI. Schedule, Next Meeting Date on Monday, August 18, 2014 at 4:00 p.m.

The next Finance/Audit Committee meeting is scheduled for Monday, August 18, 2014 at 4:00 p.m.

VII. Public Input

None.

VIII. Adjournment

Mr. McHugh adjourned the Finance/Audit Committee meeting at 4:38 p.m. with no further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas
Administrative Assistant