



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Wednesday, May 18, 2016 at 9 a.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Committee Members Present: Dr. Amy Anderson, Cathy Dofka, Gus Guadagnino, Pat McHugh, Sam Shrieves

Committee Members Present via Phone: None

Committee Members Excused: None

Coalition Staff Present: Jim Farrelly, Rachel Hardy, Jak Jakubauskas

Others Present: None

I. Welcome and Call to Order

Mr. Farrelly called the Finance/Audit Committee to order at 9:09 a.m. and welcomed attendees.

II. Selection of New Committee Chair

Mr. Farrelly explained Mr. McHugh's tenure as Chair for the past two (2) years has expired. He requested nominations from the floor and noted that Mr. Guadagnino has acted as Chair in the past and has expressed willingness to accept the position. Mr. Farrelly explained the Chair of this committee will also become a member of the Executive Committee, which meets monthly.

Mr. Guadagnino nominated Mr. Shrieves; Mr. Shrieves stated he was not prepared to accept the nomination. Ms. Dofka nominated Mr. Guadagnino and Mr. McHugh seconded the motion. As there were no other nominations from the floor, Mr. Farrelly requested a vote to nominate Mr. Guadagnino. All voted aye, there were no nays or abstentions and the motion carried.

III. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of April 20, 2016

Mr. Guadagnino requested a motion to approve the minutes of the April 20, 2016 Finance/Audit Committee meeting as presented. Ms. Dofka so moved and Dr. Anderson seconded. All were in favor with no abstentions and the motion carried.

IV. Review, April 2016 Financial Statements

Ms. Hardy reported the April 2016 Financial Statements showed the Direct Services spending rate was projected to be 84.91%, but was actually 86.69%. Minimum and

maximum rates are well within required levels with 85.67% expended on Direct Services and 5.17% on Quality for a total of 90.84% of funds expended on children for the year.

Ms. Hardy reported that \$10,000 was received from SunTrust for Match resulting in a total balance year to date of \$29,114.35. Ms. Hardy reported the projected deficit has increased to \$201,518.43. This deficit is based on a 4% attrition rate.

For VPK, 87.52% of the VPK grant has been expended and the current VPK spending rate is 2.81% for administration for the month and 97.19% on Direct Services.

A brief discussion followed on the deficit with Mr. Farrelly explaining the deficit is only in Direct Services and the Coalition has funds set aside in Non-Direct Services as spending was frozen in January. A cushion of approximately \$270,000 exists and he anticipates there will be a zero balance as of June 30, 2016.

Match funds and the federal requirement to raise match were explained. Ms. Hardy stated the ELCs of Duval and Miami/Dade meet the state's combined match requirement and Mr. Farrelly reported the Foundation for Early Learning has donated another \$5,000 to the Coalition's match to remove children from the waitlist.

Mr. Guadagnino requested a motion to accept the April financials as presented. Ms. Dofka so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

V. Second Review of Budget Proposal, FY 2017

Mr. Farrelly explained this second draft proposal totals \$27,747,205 and the third and final draft will be presented next month for final approval to both Finance and Executive before being presented to the full Board in July. The new spending caps with actual spending projections were reviewed for both School Readiness and VPK.

Mr. Farrelly also reviewed the budget features such as Direct Services receiving an additional \$245,000 for slots and with careful budgeting another \$37,000 is being placed into Direct Services. Two (2) new staff positions are being added - a Compliance Coordinator who will become the Coalition's internal auditor and a new Provider Specialist position. Mr. Farrelly explained the addition of the Performance Funding Project has added additional workloads to the current six (6) Provider Specialists. This new position will be funded by this grant award and will continue as long as the program is funded.

Additionally, a current Inclusion Specialist will begin working part-time (.75) as of July 1, 2016 and the Administrative Assistant position is being eliminated as this position is not fully utilized. Mr. Farrelly continued explaining the budget also contains \$50,000 for the Brazelton Partnership, staff performance incentives totaling approximately \$45,000 and salary opportunities for those staff members who were not awarded an increase this fiscal year.

Dr. Anderson inquired about the Performance Funding Project and how it is funded. Ms. Hardy explained it is funded by OEL, but providers have to apply and certain criteria

must be met. Provider Specialists follow up and assist with helping to improve the quality in these centers. Providers submit reports to OEL and evidence that shows how the program funds are being used within the centers to enhance their quality. Based on their performance criteria, participating providers have been awarded up to approximately \$30,000 from OEL as a bonus.

Mr. Guadagnino requested a motion to accept the second budget proposal. Dr. Anderson so moved and Ms. Dofka seconded the motion. All were in favor with no abstentions and the motion carried.

VI. Next Meeting will be held Wednesday, June 15, 2016 at 9 a.m.

The Committee will next meet on June 15, 2016 at 9 a.m.

VII. Public Input

Mr. Farrelly reported the Coalition will be facing challenges in the new fiscal year which will be felt by the Board as it involves the waitlist. The waitlist has been closed since December and now has 1,437 children waiting for services. This fiscal year, 1,300 children were removed from the waitlist. However, the waitlist is impacted by mandated placements, referrals from DCF or court ordered referrals, that the state requires be placed whether the Coalition has funds or not. To date this year, 1,503 mandated placements have been served.

Beginning July 1, 2016, the new eligibility regulations will go into effect and mandated placements will also be placed on the waitlist. When the waitlist does open, these mandated placements will have first priority over income eligible families who may not be able to receive services for a year or more.

Discussion followed including the possibility that an at-risk mandated placement child on the waitlist may be injured, the increasing numbers of mandated placements, serving more children through population increases; and increased awareness in the community of the services provided by the Coalition.

Ms. Hardy explained the eligibility offices are checking mandated placement clients twice to make sure their case is still active in order to receive services.

Mr. Farrelly reported the Foundation for Early Learning donated \$5,000 to remove another ten (10) children from the waitlist.

VIII. Adjournment

Mr. Guadagnino requested a motion to adjourn. Dr. Anderson so moved and Ms. Dofka seconded the motion. This meeting of the Finance/Audit Committee was adjourned at 10 a.m. without further discussion.

Respectfully submitted by,
Jak Jakubauskas, Administrative Assistant I