

BOARD OF DIRECTORS
FEBRUARY 23, 2012
BOARD MEETING
MINUTES

Board Members in Attendance: Mr. Stockton Whitten, Board Chair, Judge Kelly McKibben, Board Vice Chair, Mr. Samuel Gutierrez, Board Treasurer, Mr. Leo Roselip, Mr. William Ryder, Reverend Scott Elliott, and Mr. Michael Cadore.

Board Members Absent: Ms. Brooke Deratany Goldfarb, and Mr. Mel Broom.

Others in Attendance: Ms. Valerie M. Randall, Chief Personnel & Administrative Officer, Ms. Debbie Davidson-Cook, Chief Compliance & Utilization Officer, Mr. Geo Ropert, Director of Communication, Ms. Gloria Hensler, Finance Director, Ms. Kelly Swartz, Staff Attorney, and Ms. Laurie Anna Blackburn. Ms. Donna Brown, James Moore & Company, Ms. Teresa Miles, CHS, Ms. Michelle Scott, CHS and Ms. Phebe Powell, DCF were also present.

Mr. Whitten called the meeting to order and requested those present state their names for the record.

Motion: Judge McKibben moved to approve the agenda. This was seconded by Mr. Ryder and the motion was passed unanimously.

Motion: Judge McKibben moved to approve the minutes from the January 26, 2012 Board meeting with corrections noted. This was seconded by Mr. Ryder and the motion was passed unanimously.

Mr. Cadore arrived.

Mr. Whitten indicated that Ms. Donna Brown with James Moore & Company was in attendance to review the recent audit with the board and he asked if Judge McKibben would like to make an opening statement. Judge McKibben shared that the Audit Committee met in December to review the audit and that it was favorable. She stated the committee was pleased with the outcome and asked Ms. Donna Brown to present the Audit to the members.

Ms. Brown began the presentation by sharing that the books and records are in great order and that all requests from her team had been responded to in a timely manner and that the Agency financial statements can be relied upon for accuracy.

Auditor's Report – Ms. Brown indicated that this is a clean opinion and that the numbers are fairly presented. She stated that in this section of the audit that sample tests are conducted on high risk areas and any areas that are significant. She then shared that there is a Basic Audit, a Federal Single Audit and a State Single Audit. She indicated that the Basic Audit is a second tier audit reviewing compliance with policies and procedures and internal controls. The Federal Single Audit focuses testing on programs with federal dollars and the State Single Audit involves the state funded expenditures.

In the Auditors report on internal controls and compliance on page 21 it indicates that there are no material weaknesses in internal controls and no findings in compliance. Page 23-24 of the Federal/State Single audit also stated there are no findings in compliance or internal controls.

In the Management letter on page 27 to the Auditor General Ms. Brown pointed out one suggestion regarding the reconciliation of bank accounts where there was one (1) month when the bank statements did not arrive at the new location and therefore the reconciliation was done late. She also reported that this is now being done electronically so there will not be a problem in the future.

Mr. Roselip asked for clarification on page three (3) which outlined the current assets and liabilities and asked if the difference of approximately \$400,000 would be viewed positively or negatively. Ms. Brown responded that there is no negative to the Agency for showing this amount as based on our contract arrangement this represents deferred revenue received. Mr. Roselip asked as this number has been fairly consistent if there could be a perception that we took in more than we needed. Ms. Brown shared that based on the contract for example, we could have spent funds on equipment but it is expensed over time so it must show on the books even though the actual funds have been expended. Mr. Gutierrez asked to clarify this to mean that we can spend the money and have the use of the equipment. Ms. Brown responded that in terms of equipment purchases, yes at these would be a capital expense. Mr. Gutierrez inquired if training is considered a capital expense and Ms. Brown indicated it was not, but rather would be equipment or property. A question was raised to define "deferred revenue" to which Ms. Brown responded this is cash received but not earned and must be spent. She elaborated that under our cost reimbursement contract we can not build up reserves unless these are funds generated by board fundraising activities or other sources of non-governmental funds. She continued to comment that for our Agency there are very few ways to add to the bottom line. Ms. Brown pointed out two (2) aspects of the net assets including operating revenue for Brevard C.A.R.E.S. that has yet to be spent and that the PTO accrual has been pre-paid. Mr. Roselip asked to restate the definition of "deferred revenue" as cash that is received but not yet earned and Ms. Brown confirmed this understanding.

Motion: Judge McKibben moved to approve the Audit for the period ending June 30, 2011 indicating the audit had also been approved by the Audit Committee. This was seconded by Reverend Elliott and the motion was passed unanimously.

Ms. Brown then presented the Agency's 990. She indicated there were no significant changes from the prior year and that this report is based on the 2010 tax return year. She shared that most of the forms in the 990 are subject to public inspection, but not all and that there is a notation on each form indicating if it is subject to public inspection. She indicated that it is a decision that can be made to share the entire 990 or only those forms that are required to be available. Ms. Brown spoke about the improvements in technology which help with receiving answers more timely and the fact that the IRS is also able to match the 990 with any and all other returns and documents applicable, for example matching the 990 with W-2's. Ms. Brown also reported that in her 21 years of experience this is the first year that she is aware of that 990's have been audited and that she has been involved in three (3) such audits including two (2) small entities and one (1) university. She shared that the audits centered on questions relating to policies and procedures that were not necessarily financial in nature, such as adherence to conflict of interest policies. Ms. Brown also commented that another area of focus includes travel expenses and credit card reimbursements. She remarked that absent solid documentation for these expenses, the expenses can be assigned as income to the employee. Ms. Brown commented that this is not a problem with our Agency or Brevard C.A.R.E.S. There was discussion regarding the conflict of interest process and how the Agency may demonstrate greater compliance.

Action Item: It is recommended that at the beginning of each Board meeting that a question is asked if anyone has a conflict of interest with items to be presented on the Agenda and that the question and responses be entered into the minutes. It is further requested that blank Conflict of Interest Disclosures be available at each meeting. In the event a member discloses a conflict of interest, the form would be completed and the member would refrain from participating in any discussion on that topic. Ms. Swartz was asked to modify the current Conflict of Interest Disclosure for this purpose to include a question about any business relationships between or among any of the Board members. Ms. Brown continued that other areas of focus in the 990 audits include Whistleblower policies and ones on document retention and destruction. Her counsel is that if the policies exist they must be followed.

Judge McKibben questioned page seven (7) which lists all board members and inquired if new board members should be listed as this is based on 2010. Ms. Brown responded that this form is based on fiscal year so all who were members as of June 30, 2011 should be included. Judge McKibben then requested a correction of titles for Mr. Whitten and herself.

Action Item: Ms. Hensler will make this correction to the 990.

Mr. Roselip asked if Ms. Brown could identify which specific pages were subject to public inspection. Ms. Brown referred to the 990 and indicated that this is noted on the forms within the 990. Upon further discussion Ms. Brown offered to provide a list of those forms that are excluded from public inspection to Ms. Hensler.

Motion: Mr. Roselip moved to make available for public inspection those forms that are required. This was seconded by Judge McKibben and the motion was passed unanimously. There was discussion about the perception this may cause.

Motion: Mr. Gutierrez moved to approve the 990 with the requested changes to page seven (7). This was seconded by Mr. Cadore and the motion was passed unanimously.

Mr. Whitten thanked Ms. Brown and Judge McKibben. He remarked that Ms. Brown serves as the finance department for a CBC and she understands our environment and he thanked her for her expertise. Mr. Whitten also gave special kudos to Ms. Hensler who assumed her role quickly and he shared that he is very impressed with her and also very thankful for her contributions and efforts.

Ms. Hensler then spoke about the new contract with James Moore & Company that needed to be approved. She indicated that our current contract ended with this audit and that we are not required to competitively procure this service. She indicated that we need to enter into another one year arrangement which will take us through the end of our current contract with DCF. She shared the pricing schedule for both BFP and Brevard C.A.R.E.S. and noted that there is a reduction in the audit fees for both entities. Further discussion took place on the contract term and audits to be completed through our DCF contract term.

Motion: Mr. Roselip moved to approve engagement letter as presented for a period of one (1) year. This was seconded by Mr. Cadore and the motion was passed unanimously.

Action Item: Ms. Brown will provide another engagement letter for the final audit of our contract.

Consent Agenda:

Legal Report

Ms. Swartz informed the board that the Agency has met its responsibilities regarding the recent public records request. She also reported that the Mentor issues have been resolved and that the public records request has been cancelled.

Board Report

Ms. Randall reviewed specific elements of the Board Report on behalf of Dr. Nellius. She spoke about the new DCF scorecard, the request for "approximate" Administrative Overhead numbers and provided a potential plan to address the rebranding of the former CBY25 initiative. She also shared that the Agency is working on a response to the Eckerd RFP with a due date of March 8, 2012.

Action Item: Mr. Roselip asked that the monthly scorecard be provided to board members on a monthly basis.

Mr. Roselip asked what comprised the Administrative Overhead to which Ms. Hensler responded. Mr. Whitten inquired if there is a state definition of this and was informed the state has defined this.

Action Item: Mr. Whitten requested that this definition be provided to the Board members.

Judge McKibben asked for a clarification of the "COU" acronym in the Board Report. Ms. Randall responded and Judge McKibben requested that these acronyms be spelled out in future reports as not all board members may know what these represent. Mr. Whitten asked Ms. Powell if she would like to speak to the scorecard. Ms. Powell indicated that this is something that has been developed to help identify and quantify the results of the outcomes to help to increase performance. Judge McKibben asked Ms. Powell to explain FsFN. Ms. Powell responded that this represents Florida Safe Family Network and that it is a state wide system which captures considerable data that can be used by case workers, Protective Investigators and others who work with our children and families in the State of Florida. She indicated that the system tracks all data for children, foster parents, investigation notes, relative placements and while it is a cumbersome tool it is very important.

Mr. Whitten commented that he did not think the definition of administrative overhead should be different than the definition in the contract.

Legislative Report:

Mr. Ropert reported that the current Bill report of 26 pages in on the BFP website. He shared that amendments are currently being filed on the IL Bill and that the executive compensation Bill is still in committee. Mr. Ropert shared that the DCF reorganization Bill is progressing and that the Agency expects to receive an addition of \$3M for MAS however, these funds were moved from another source. He reported that the IV-E funds will be used to support the DCF reorganization and that there is Bill that would reduce the equity model to 12.5%. Mr. Ryder inquired if there was any information about the age limit in the IL Program increasing to age 23. Mr. Ropert indicated that the age 21 appears to be the limit however there is concern about those children who will be reaching age 21 shortly. Ms. Hensler reported that as of July 1, 2012 we will have 18 children who will reach age 21 and that for the following year there are eight (8) such youth.

Financial Report

Ms. Hensler indicated that on the Statement of Activities for January 31, 2012 that the Agency is in line with projections. She then spoke about the Statement of Financial Position as of January 31, 2012. She reported that as of January 2012 that all prior year carry forward had been expended and that we are currently entering into contracts for capacity building and other necessary activities through June 30, 2013. She indicated we are pre-paying some of these expenses. There were no follow up questions.

New Business:

Personnel Policy Overview HUMAN RESOURCES COA STANDARD 4 STAFF RETENTION AND SATISFACTION

Ms. Randall spoke about the Benefit Program Overview and shared that since last year only one major change was made and that was in the 401(k) plan. She stated that the Agency reviews this area annually and makes adjustments needed based on the budget and that again in May this program will be evaluated in terms of the company contribution.

Ms. Randall then reviewed the data provided on calendar year 2011 turnover and reviewed the targets, actuals and provided some information about certain of the separations. Mr. Gutierrez commented that the overall turnover is high and that this impacts efficiency and that he thinks this is unsettling. He commented that this is very high compared to the public sector. Mr. Ryder responded indicating that five (5) of the separations were due to budget cuts. Mr. Gutierrez indicated that the reasons for the turnover do not address the impact to the efficiency of the organization. Ms. Randall responded that she agreed that high turnover certainly impacts efficiency however, in five (5) of the separations that the functions were outsourced with the staff and that there were four (4) separations as a result of relocation.

Ms. Randall then reviewed the results from the calendar 2011 employee engagement and satisfaction survey. She pointed out the increase in satisfaction in the one area that had not scored at least a five (5) in the last year's survey and pointed out other increases in satisfaction. She spoke about the budget impact during 2011 that resulted in position eliminations and that may have caused concern among staff and that based on these factors the results were positive. Ms. Randall then reviewed some changes that had been made in response to last year's staff comments. There were no questions.

Ms. Randall then indicated to the members that their new job descriptions were at their places and she requested these be executed by the members. She referenced the handout which had been an action item from the Board Retreat which was a copy of the presentation that had been made to the Board of Brevard C.A.R.E.S. Judge McKibben asked if members had to complete the W-9's that were also at their places. Ms. Randall indicated that for any future reimbursements for travel or registration fees, a completed W-9 would be required. Judge McKibben asked if these could be completed as needed. Ms. Randall requested that Ms. Hensler respond to this inquiry and she replied that members could complete as needed. Ms. Randall also referenced the business card order form and thanked those who had already completed them and asked the other members to complete these with their name as they would like it and to specify what contact information they would like on the card. There was discussion on the e-mail contact including having individual e-mails on the BFP network. Mr. Ropert indicated that he thought he could establish a "board e-mail" that would be sent to Ms. Randall.

Action Item: Mr. Ropert will determine if the "board e-mail" can be established and that Ms. Randall would be the recipient and would forward accordingly.

Old Business:

Ms. Randall indicated that the current list of Board subcommittees and members was included in their binders.

The next item addressed Strategic Plan Goal Objective 9d:

Ensure foster parent voice in policy and practice.

Strategies: Create a foster parent executive advisory group to meet with the CEO and/or designee to jointly address systemic barriers.

Mr. Ropert spoke about the QPI campaign which includes commercials and billboards using individuals in professions such as a teacher, policeman, etc., who indicate they are foster parents. He shared that there will be new advertisements in the Space Coast Magazine and that Consensus Communications had been hired to provide media support.

Mr. Ropert then spoke about the Community Kick Off meeting scheduled for April 13, 2012. He indicated this meeting will be a State of the Union of child welfare in Brevard County. He stated that community leadership and our partners within the system of care will be invited to attend and that he strongly encouraged the board members to attend the event. He shared that this will serve to provide a report to the community based on what they wanted in child welfare reform. Mr. Roselip encouraged all board members to be present. Judge McKibben indicated she would attend. Mr. Ropert then discussed the upcoming Dependency Court Summit and that we had two (2) slots for Board members. Mr. Roselip and Mr. Ryder requested to attend.

Action Item: E-mail important dates and events to the Board members.

Mr. Ryder commented that the article written by former Governor Jeb Bush was outstanding and that all board members should read it. Mr. Ropert commented that an excerpt is on our website with a link to the full article.

Motion: Mr. Roselip moved to adjourn the meeting. This was seconded by Mr. Cadore and the motion was passed unanimously.

Respectfully Submitted,

Valerie M. Randall
Recording Secretary

Approved at Board of Directors meeting March 22, 2012