

Board of Directors Meeting Minutes

January 23, 2025, 12:30 pm

Meeting Date: January 23, 2025

Chairman: Stephen Spivey

Location: KCI Boardroom

Members Present: Diana Brown, Kevin McDonald, Rebecca Schatt, Stephen Spivey, Carly Sayles, James Nations, Gordon Johnson, Elizabeth Thompson

Advisors: John Cooper (CEO), John Aitken (CFO), Shalonda McHenry-Sims, Veraunda Jackson

Not Present: Matt Bartoli, Brad Rodgers, Anthony Piarulli

Guests: Mark Wickham (YFA CEO) by phone, Kimberly McGlothern (Director of Community Affairs)

Minutes: Paula Mealy

Quorum: Yes

Call to order January 23, 2025, at 12:34 pm

I. Chairman's Remarks

- a) Introductory Remarks – Steve commented a great and fun experience being with the Family Preservation staff during the celebration lunch. He learned a great deal from the conversation.
- b) Approval of December Minutes - Kevin moved to approve. Gordon seconded the motion. All were in favor and unanimously approved.
- c) Nominations for Finance Committee – Chairman Spivey requested volunteers to join the Finance Committee. We currently have only 2 members - need another. No one stepped forward but it was noted that potential new board member Charles Troutman has expertise in Finance.
- d) Board Policy Changes – update from Jim and Steve – They are now identifying conflicting information as compared to our bylaws, as well as scanning for other possible needed changes. They are close to having a recommendation to share. Paula will redline the changes recommended and distribute to the board for a vote in our March meeting.
- e) Board Education – Family Preservation was selected for the next topic. Gordon also suggested that we start each meeting with 5 minutes of good news, as we tend to deal mostly with crisis issues or potential problems. Steve agreed but requested NO graphics or Power points.
- f) Propose new format for CEO Review – Brad and Gordon are working on a new format to propose. They are looking at various formats used in other organizations.
- g) Conflict of Interest proposed change - Paula reviewed suggested changes in the Conflict of interest Form instructions, the form itself, and in the board application form. Jim moved to accept all changes as presented. Kevin seconded the motion. All were in favor and unanimously approved.
- h) Jim Troutman applied for board membership. He is a neighbor of Jim Nations and has many years running a 60 bed children's home. He also has finance experience and would fit in well with the needs of the Finance Committee. Per Jim, he is very interested in becoming a member. John and Jim went to lunch with him and highly recommend his acceptance. Dianna moved for approval of the application. Liz seconded the motion. All were in favor and unanimously approved.

II. President's Report

- a) December 2024 Performance – Measure 9 (Percent of children visited every 30 days) dropped from last month, which was disappointing. Shalonda commented that the numbers must be a roll up instead of the number representing the month of December, because she knows December's

Board of Directors Meeting Minutes

January 23, 2025, 12:30 pm

measure is better than what was represented. Paula confirmed later with Billy that it is indeed a roll up figure.

- b) Lead Agency Funding Update/KPMG –There is a one hundred -page KPMG report for anyone who wants to read it (contact Paula for a copy). A majority of the CBCs are not supporting the KPMG recommendations in the report. There are 2 issues. The entire report is based on expenditures. We serve 400 more kids per day than Maimi, yet in this model, they get millions more in funding. There are 3 tiers in the model. The Tier 2 blended rate makes no sense. There is a foundational flaw in the model. A majority of the CBCs do not support the model that results in those who spend more receive more funding.
- c) Marion Recruitment Update – 82.54% of positions have been filled, with 11 vacancies remaining. The good news is that there were no separations in December. There is a new class in progress with 5 of our new hires attending.
- d) Legislative Update – 2 areas of discussion. First, the FCC is trying to get a bill sponsored regarding the mandatory CBC liability coverage amount. The new bill reduces the amount of coverage CBCs need, which will reduce the premium. This is critical given we were informed there will be a 100% increase in premiums coming, and that is after already absorbing a 118% increase over the last 2 years. Our premium would now go from \$250K, to \$500K, with a \$100,000 deductible. Unless there is some relief, there will be very difficult financial decisions needed. This problem combined with being grossly underfunded for the number of children we serve, puts KCI in a very difficult position. The second issue for discussion is that specific board of directors training requirements are now in statute. We need to carve out 60 minutes in our annual meeting to complete this requirement, and it will need to be done every year. Veraunda commented that DCF is looking to change this in the future, but we need to get it done this year as its in our contract.
- e) Employee Survey Results – Dave presented results based on 168 surveys returned, which is an over 60% response rate. Overall satisfaction is very stable and there were good comments on improved engagement. Regarding Compensation and Benefits staff appreciated time off, but there are concerns on health insurance expense increases, and compensation not being commensurate to workload. Perception is that Leadership does not recognize workload issues (high load with few resources). Most appreciated and valued the available training. Employees also appreciated supportive supervision and management and have a strong commitment to KCI's mission and vision. There was a high score regarding PTO and workday flexibility. There is a desire for training outside of child welfare – like IT, for example. Workplace diversity scores remain very strong. Comments of note – Employees want leadership to shadow staff to experience their challenges, though there were also some positive comments about leadership working alongside staff. John A commented how encouraged he was and how well the Marion County group has integrated into the KCI culture. Jim Nations commented this is a great recruiting tool given the industry we are in, and we need to leverage that in the hiring process.

John noted that one of our foster parents was arrested last week. A baby in their care was found to have fractures, and 2 weeks later rib fractures were identified. The rib fractures could not be dated. The baby was 2 months old, and the foster parent only had child for a week. Child had a follow-up exam at Shand's, and there is disagreement between authorities as to how old the injury is. Additionally, the foster parent traveled during some of the period and the child was in respite care. Child had also been diagnosed with failure to thrive, so some of the general health is in question, and could be the cause of the problem. There is concern that the foster parent arrest was premature.

Board of Directors Meeting Minutes

January 23, 2025, 12:30 pm

III. Operations Report – Shalonda presented the latest report - we now have 37 foster homes, and a new class starts next week. We have finalized 120 adoptions, which puts us at 44% of our goal – much closer than we were last year at this point. We are working with an internal KCI target of 250 because we have been unable to agree on a goal with DCF. There will be a negotiations meeting on 02/06 but setting a goal at 7 months into a contract is problematic. The current number of Level I homes is 89 (27.83%) of target. The good news is 70 children have closed to Permanent Guardianship. Also of note is that 44 women have been served through the Lowell Maternity Program. This is a non-funded program that has proven its worth by preventing these babies from coming into care. Finally, Shalonda noted that 359 kids have exited care this fiscal year.

Shalonda also mentioned that Healthy Start and MIECHV programs were presented at this month's staff meeting and highlighted the success of Father Engagement, Breast Feeding Moms, and Assistance to High Risk Mothers in general.

IV. Financial Report –

- January Special Finance Meeting – John Cooper reported on the proposed funding model developed by DCF and KPMG that was presented to the Health and Human Services committee. Many FCC members in attendance voiced great concern over the model, discussing the inequities it introduces as discussed earlier in these minutes. John informed Secretary Harris that KCI cannot support this model for those same reasons. (The model is based on historical expenditures which gave a large advantage to CBCs that already had more to spend per child).

Management has submitted an application to DCF for almost \$4M in Risk Pool funds due to rising Out of Home Care costs (we have a deficit of \$1.6M from last year and \$2.3M projected for this fiscal year). The total available pool is only \$3M, and statewide applications total over \$20M. Since the risk pool does not have adequate funds, CBCs will seek funds from back of the bill appropriations.

November Financials - November financials were briefly presented by Jim. Management and general expenses remain at 3.74% of total expenses. Significant variances were due to Out of Home care payments, mostly from the increasing cost of group care, but there was also a slight uptick in the number of children in care.

An amended budget was presented creating a total deficit of \$4.5M (including the previous years rollover deficit). There was concern voiced but it was agreed that no practical options existed, since reducing expenses significantly would mean deep cuts to services, which would hamper permanency, meaning more children staying in care for longer periods of time.

Finance motioned to accept the Finance Report, Diana seconded the motion. All were in favor and unanimously approved.

Liz motioned to accept November Financials; Gordon seconded the motion. All were in favor and unanimously approved.

V. Other Committee Reports

- a) **Executive Committee** (No meeting scheduled until February)
- b) **SIC Committee** – January Draft was presented by Diana.

Board of Directors Meeting Minutes

January 23, 2025, 12:30 pm

The Mentoring/Prayer Breakfast Group went live in November, one mentor has been trained, and we are waiting on the background check. The biggest challenge now is finding additional candidates to become mentors, therefore most of the discussion centered on strategies related to recruiting.

The STAR Recognition group -Diana noted positive feedback from the congratulatory notes she is sending out. The Holiday décor contest was a huge success with impressive amounts of creativity and team collaboration. Board members thoroughly enjoyed today's lunch with the winning team. They found great benefit in sitting with and learning about their challenges. Work on the recognition banner continues and they hope to have it in time for the February company retreat. There was further discussion on ideas for other recognition such as Administrative Professionals Day and special days to decorate/recognize like Breast Cancer Awareness, Autism Awareness, Veterans Day, etc. The group also noted the need for Guidelines for structure related to office decorations and will continue that discussion at the next meeting.

The Foster Parent Advisory Committee continued in November developing the final criteria for this Committee. Salina Garrison shared the criteria and application with foster parents. We are hoping for a good response. We may need to personally invite certain foster parents and John C emphasized the importance of having some members who have provided negative feedback. Dave reported the Guardian tool survey has been implemented and the Mindshare tool is a work in progress.

c) Community Development – Gordon reported several dates coming up for Board members to note on their calendars: Care Awards 02/07/25 rescheduled from last year due to the hurricane, 02/28/25 will be our annual Casino night at the Ocala Downtown Market – keep in mind that sponsors are needed (contact Kimberly if more information is needed), and HALO awards will be on 05/03/25 at the Brownwood Hotel and Spa. Gordon solicited the group for funds for a board basket to be raffled off at casino night. \$ 100 was collected and given to Kimberly for that purpose.

VI . Unfinished Business/New Business – Liz noted from her discussions with the Family Preservation team at lunch, that employees were interested in hearing more about the mentoring program as they can connect with possible mentors, but staff needs more information. Kimberly will follow up with email to staff. Our housing specialist, Britany will take mentor brochures with her to engagements, as will Leslie Hosmer, our recruiter.

The board presented Paula with a recognition gift for all the “behind the scenes” work efforts. It was very much appreciated.

VII. Public Forum – None

Jim motioned to adjourn the meeting, and Gordon seconded the motion. Chairman Spivey Adjourned the meeting at 2: 07 pm.

Next meeting – March 27th, 2025, 12:30 pm – 2 pm – KCI Wildwood Board Room