



# **Finance & Operations Committee Meeting Transcript**

**March 7, 2019**

1 THE CHILDRENS' TRUST FINANCE & OPERATIONS

2 COMMITTEE MEETING

3  
4 The Childrens' Trust Finance & Operations

5 Committee Meeting was held on Thursday, March

6 7, 2019, commencing at 9:30 a.m. at 3150 Southwest

7 3rd Avenue, Conference Room A, Miami, Florida

8 33129.

9 The meeting was called to order by Steve Hope,

10 Committee Chair.

11  
12 Committee Members

13  
14 Steve Hope, Chair

15 Dr. Magalay C. Abrahante

16 Gilda Ferradez

17 Javier A. Reyes

18 Maurice Kemp

19 Kenneth Hoffman (ex-officio)

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STAFF:

- Donovan Lee-Sin
- Imran Ali
- James Haj
- Joanna Revelo
- Juana Leon
- K. Lori Hanson, Ph.D.
- Maria-Paula Garcia
- Muriel Jeanty
- Sheryl S. Borg
- Stephanie Sylvestre
- Vivianne Bohorques
- Wendy Duncombe
- William Kirtland
- Ximena Nunez

GUESTS:

- MOISES ARIZA, Marcum LLP
- BRANDON LOPEZ, Marcum LLP

## 1 PROCEEDINGS

2 (Recording of meeting began at 9:30 a.m.)

3 MR. HOPE: Welcome to the Finance Committee  
4 for the month of March.5 And first, I want to take this opportunity to  
6 welcome our new Finance Committee member, Mr.  
7 Maurice Kemp, welcome.

8 MR. KEMP: Thank you. Thank you.

9 MR. HOPE: Normally the practice is that  
10 first time members normally bring breakfast for  
11 the entire Board.

12 (Laughter)

13 MR. HOPE: Given that it was short notice,  
14 you know, we'll leave that for another time.

15 MR. KEMP: I brought one donut for everybody.

16 MR. HOPE: Okay.

17 So any public comments?

18 MS. JEANTY: No.

19 MR. HOPE: Okay.

20 So if we can take a look at the Finance  
21 Committee minutes from the last meeting, if there  
22 are no corrections, if we could have a motion to  
23 bring it to the Committee?

24 MS. FERRADAZ: Motion to approve.

25 MR. HOPE: Do I have a second?

1 MS. ABRAHANTE: Second.

2 MR. HOPE: All in favor?

3 THE BOARD: Aye.

4 MR. HOPE: Okay.

5 Moving on, today we have our auditors who  
6 will be providing a presentation on the draft  
7 audit report, so I'll turn it over to our esteemed  
8 CFO to make the introduction.

9 MR. KIRTLAND: I appreciate the introduction,  
10 thank you very much.

11 And before I turn it over to our auditors, I  
12 was just going to take a moment to begin the  
13 discussion by emphasizing I don't know if  
14 everybody checked their emails in the past week or  
15 so, but we sent -- or last week we wanted to make  
16 sure that we had the draft of the document of our  
17 Comprehensive Annual financial Review, our CAFR,  
18 so you had adequate time to review before arriving  
19 and attending the meeting today, and if you had  
20 any questions or comments based on the  
21 presentation you will hear today.

22 A couple of the highlights that I wanted to  
23 emphasize, and I also sent out in an email  
24 yesterday was to, with the disclosures included in  
25 our management discussion and analysis report,

1 which is included at the beginning of your CAFR  
2 report.

3 And it is, as I'm sure our auditors will  
4 ultimately give us an excellent document to  
5 provide the best summary of all the results and  
6 significant data points of the CAFR report,  
7 because it is a 100 page report, and it can be  
8 difficult to sort of extract the highlights of  
9 that document.

10 As you know last year we did adopt the roll  
11 back rate, which allowed us to essentially  
12 recognize the similar amount of revenues as we did  
13 to the previous year, and we increased our  
14 spending as a result of our initiative to drive  
15 down fund downs which we've discussed many times  
16 in this -- in these -- in previous Committee  
17 meetings.

18 So we increased our expenditures from about  
19 12.5 percent, which recognized our -- which was  
20 reflected by 16.4 million dollars of additional  
21 spending of our direct service contracts.

22 And a portion of that is we did put  
23 additional investments into our direct service  
24 contracts, but not only through the solicitation  
25 or -- that we -- that we have just approved and

1 have all the additional spending recognized, but  
2 we also put some additional funding into last  
3 year's current contract, so we were able to  
4 recognize and began our process of spending more  
5 to utilize our reserves.

6 We also received communications from one of  
7 our CRAs, which is a Community Redevelopment  
8 Agency, that we no longer had a commitment to  
9 obligate or commit funds, so which, in large part,  
10 was a main topic of discussion in our year end  
11 amendment that we had available funds, and now our  
12 allocations for the CRA District that were  
13 unneeded and we reallocated to other line items  
14 where some additional spending was recognized.

15 Again, our fund balance grew from 67 --  
16 approximately 67 million dollars to 69 million  
17 dollars, whereas this is a roughly 2.5 million  
18 dollar increase, it does represent substantial  
19 slow downs essentially of how our fund balance was  
20 increasing from year to year.

21 So we are seeing that we are in the beginning  
22 stages of seeing that our additional spending of  
23 28 million dollars that we pledged to our current  
24 cycle that we are in is now starting to pay  
25 dividends and essentially using our reserves as we

1 go forward.

2 So before again opening it up to now this --  
3 having our auditors open up the reports and maybe  
4 discussing the high points, I want to just spend a  
5 moment to thank this Finance Committee and all the  
6 support that we received from the members and  
7 essentially the guidance that we received in being  
8 able to go through this audit process in the  
9 selection of our new auditors in that we now have  
10 had an opportunity to have a fresh set of eyes.

11 As you know, we -- this was the first year  
12 audit utilizing Marcum and replacing our previous  
13 auditors of Albern, Cavallero and Fierman, so we  
14 have fresh faces today in presenting this report.

15 I also wanted to thank all of the Children's  
16 Trust staff because it takes a tremendous amount  
17 of buy in and commitment from everybody in the  
18 organization to make sure that we abide by all of  
19 our procedures and policies that support receiving  
20 a clean audit report and opinion on the financial  
21 statement.

22 And more specifically, I also want to thank  
23 Wendy Duncombe, our comptroller, who really  
24 spearheaded the process and is actively  
25 communicating with all parties involved in the

1 audit making sure that everything goes smoothly.

2 So thank you Wendy, again, for all the efforts  
3 involved in producing the CAFR report today.

4 So again -- so now, I'm going to kick it over  
5 to our auditors with Marcum.

6 MR. ARIZA: Good morning, everyone.

7 My name is Moises Ariza and I serve as a  
8 senior manager with Marcum LPS.

9 Part of the Trust audit here with me today is  
10 Brandon Lopez, that in charge of the audit he was  
11 in charge of planning and supervising the staff on  
12 the field.

13 In front of you, as part of your agenda  
14 package, you have the CAFR as though said it is  
15 100 pages, I'm going to go and highlight the  
16 certain pages of the document.

17 The document itself is put together by Bill,  
18 Wendy and their team, and I'm going to go over  
19 some pages that are produced by our audit firm.

20 If you go with me, if you want to follow  
21 along, page 1 is the auditor's report, printed  
22 page 1.

23 It's titled Independent Auditor's Report.

24 The first page is three -- has different  
25 paragraphs.

1           The first paragraph is titled Report on the  
2 Financial Statement.

3           It describes what we audited and it makes  
4 reference to the fact that we've audited the  
5 fiscal year ended September 30th, 2018.

6           The second paragraph dictates Marcum's  
7 responsibility. What's your responsibility?

8           Their responsibility is to put together this  
9 CAFR, this document and following US GAP which is  
10 accounting principles generally accepted in the  
11 United States of America.

12           The third paragraph titled Our Responsibility  
13 dictates what we, as your external auditor, is  
14 responsible for.

15           MS. ABRAHANTE: So it's Page 20 on our --

16           MR. ARIZA: Oh, PDF.

17           MS. ABRAHANTE: PDF.

18           MS. FERRADAZ: Which tab is that?

19           MS. ABRAHANTE: 20.

20           (Multiple voices speaking.)

21           MR. ARIZA: Yeah.

22           MR. REYES: He said it's page 109.

23           MS. ABRAHANTE: It's 125.

24           MR. ARIZA: It's CAFR.

25           MS. ABRAHANTE: Right, the CAFR?

1 MR. ARIZA: Yeah.

2 MS. ABRAHANTE: Page 20, the CAFR letter.

3 MR. ARIZA: Yeah.

4 MS. FERRADAZ: No, that's --

5 MR. ARIZA: No, it's the CAFR.

6 MR. KIRTLAND: Right, the -- after the  
7 letter.

8 MS. ABRAHANTE: The page after the letter.  
9 Okay. Okay. Thank you.

10 MR. ARIZA: Now we're on page 20.

11 MS. ABRAHANTE: Okay.

12 MR. KIRTLAND: Everybody was on the right  
13 page.

14 MR. ARIZA: So if on printed page 1, page 20  
15 of the PDF, the Auditor's Response would be a  
16 paragraph, the third paragraph on page 20 of the  
17 -- it dictates our responsibility.

18 Our responsibility as external auditors is to  
19 express an opinion on whether these plans or  
20 statements based on audit are free of material  
21 misstatement.

22 It makes reference to what standards we  
23 follow.

24 The standards, we follow two sets of  
25 standards. We follow United States and their

1 accepted auditing standards, and because you are a  
2 government entity, we are required under the State  
3 of Florida to follow government auditing  
4 standards.

5 If you turn with me to the middle page -- on  
6 top you have the opinion paragraph.

7 This is the most important paragraph in our  
8 report. It provides our opinion, in essence, our  
9 results to our audit.

10 And here we have expressed an unmodified  
11 opinion which is in our keen opinion, and as the  
12 Financial and Operations Committee, this is the  
13 only opinion you want to be associated with.

14 In regards to the financial audit, this is  
15 the highest regard that one can receive and in  
16 recess follows.

17 In our opinion, the financial statement as  
18 referred to above presents fairly in all material  
19 respects the respective financial position of the  
20 government's activity, the general fund of the  
21 Trust as of fiscal year end of September 30th,  
22 2018 and their respective changes of financial  
23 position.

24 So that's something to be very proud of.

25 Again, there's nothing that came to our

1 concerns.

2 Per our audit, we're going to make reference  
3 and I will present some other documents, but  
4 again, you did receive an unmodified opinion.

5 At the bottom of this page, printed page 2,  
6 we make reference to another report that we issue  
7 on internal controls.

8 The reason we do that report on internal  
9 controls is because we are following government,  
10 obviously, standards and we are required to report  
11 our internal controls over financial reports.

12 That is our auditor's report.

13 If you turn with me, you will find the MDNA  
14 (phonetic) which is put together by Bill, Wendy  
15 and their team.

16 As your independent auditor, we're precluded  
17 from writing the MDNA because we're independent.

18 And what the MDNA does is, it not only  
19 highlights and compares prior activity to current  
20 year activity, and it shows you, in a tabular form  
21 and in a monetary form, the numbers and the  
22 amounts that change and provide you percentages,  
23 but Bill and Wendy were required to provide you  
24 the justification, the underlying reason on what  
25 caused those changes.

1           So I did (indistinguishable) this document is  
2 100 pages, and if we're going to read something  
3 from beginning to end, I would suggest you read  
4 the MDNA in its entirety.

5           It starts in page 3 and it ends in page 17.

6           I do want to -- if you turn with me to the  
7 financial statement on page, printed page 18 -- I  
8 don't know what page it's on.

9           MS. ABRAHANTE: It should be 38. I think  
10 there's twenty pages to it.

11          MS. FERRADAZ: Yes, thirty.

12          MR. ARIZA: Page 30 on the iPad.

13                 This is your statement of that position.  
14 They show the (indistinguishable) approval,  
15 government-wide picture of all your assets and  
16 liabilities based on the economic resource  
17 measurement focus.

18                 It shows all your current assets, all your  
19 long term assets, your long term liabilities and  
20 then your ending net decision.

21                 If you turn with me, it will be the page  
22 after your statement of activities for  
23 governmental entities. They follow the  
24 governmental framework which instead of starting  
25 with (indistinguishable), you start at reported

1 expenses, which is a little bit different, if  
2 you're used to the private sector, where you start  
3 off with revenue, (indistinguishable) your net  
4 changes.

5 In governmental accounting expenditures, you  
6 follow expenses first, you then have your revenue  
7 and then you get to your ending change.

8 The reason I wanted to mention this page is  
9 because you will notice that it says net decision,  
10 which is also a word for equity, the beginning of  
11 the year have been restated.

12 And what that means is that we adjusted your  
13 beginning equity and the reason you adjust -- we  
14 adjusted your beginning equity is because the  
15 Government Accounting Standards Board issued a new  
16 pronouncement. They issued a new guidance on how  
17 to report certain transactions regarding  
18 post-employment benefits.

19 And that adjusted your beginning equity in a  
20 positive way, and that's dictated in Note 4, and  
21 I'm going to turn into Note 4, sixth page, you  
22 have it in writing to that amount.

23 Note 4 is available on printed page 63.

24 So in accordance with Florida Statute 112,  
25 employees who retire from the Trust and their

1 dependents are eligible to continue to receive  
2 health insurance benefits, and because of this,  
3 the Financial Planning Board issued guidance on  
4 how to report the (indistinguishable) liability.

5 Therefore, the Trust was required to  
6 implement its guidance and was required to adjust  
7 it as of the first day of the fiscal year.

8 So we not only adjust it as of the end of the  
9 fiscal year, we go ahead and we calculate that  
10 liability and record it and adjust your opening  
11 equity.

12 That resulted in an adjustment of \$312,000.

13 That's why you see that the 62.4 million  
14 would have your prior year issued CAFR, and then  
15 the 62.7, which we show that the mathematician  
16 restated is what flows into the phase of the  
17 financial statements.

18 After this, you fall into the  
19 (indistinguishable) schedule, and ask me we have a  
20 compliance section. These are our last reports,  
21 which I'm going to go over, and it's printed page  
22 96.

23 Next year I'll have an iPad.

24 (Laughter.)

25 MR. ARIZA: 119.

1           And this is the report that I previously  
2 mentioned that we're required to  
3 (indistinguishable) based on the fact that we were  
4 following governmental auditing standards, and it's  
5 requiring internal controls or financial reporting  
6 and compliance.

7           The second paragraph on page 96 dictates what  
8 internal control review and in planning and  
9 performing our audit of the financial statement,  
10 we did consider the Trust internal controls for  
11 financial reporting.

12           The third paragraph defines what a deficiency  
13 internal controls is, and it also dictates the  
14 difference between a material weakness and a  
15 significant deficiency.

16           At the bottom of page 96 we conclude that as  
17 a result of our audit, we did not identify any  
18 deficiencies in internal control.

19           The following page talks about the  
20 requirement of testing for non compliance with  
21 issues regarding laws, rules and regulations and  
22 the fact that we have no issues to report to you  
23 at this time. No instances of non compliance.

24           If you turn with me on page, printed page 98,  
25 there's a report titled Rules of the Auditor

1 General of the State of Florida.

2 As an external auditor and the fact that you  
3 are a government entity, if we had current year or  
4 prior year findings and there was remediation,  
5 we're required to reach out to the Auditor General  
6 and report to them the findings and what the Trust  
7 was doing to remediate those findings.

8 Based on the fact that there was no prior  
9 year findings or current year findings, we made  
10 note that there's none to report at this time.

11 The last page of the document is page 100,  
12 and it's a report titled Compliance Pursuant to  
13 Section 218 of Florida Statutes.

14 Florida Statute 218 requires that any  
15 government agency in the State of Florida follow  
16 the requirements of the investment policy of the  
17 State of Florida if you don't have one.

18 Due to the fact that the Trust does have an  
19 investment policy that's part of the procedure  
20 manual, we test compliance with that procedure  
21 manual.

22 And we come to it on page 100, but these are  
23 the second to last paragraphs, the fact that we  
24 have no instances of non compliance regarding  
25 Section 218 of the Florida Statutes.

1           That concludes the document itself. I know  
2           it's a lengthy document.

3           I don't know if anybody has any questions, we  
4           could answer it as much as we can.

5           MR. KIRTLAND: I would just like to spend a  
6           moment and then maybe we can have questions or  
7           comments to thank Mr. Ariza and Mr. Lopez and Mr.  
8           Fudderman (phonetic) who are with the audit and  
9           the (indistinguishable) partner in charge of this  
10          audit.

11          Their staff was very responsive and very  
12          collaborative with us through a first year audit.

13          I found it quite easy, maybe Wendy will say  
14          differently, I don't know.

15          (Laughter.)

16          MR. KIRTLAND: But I wanted to really  
17          commemorate the job that Mark and staff have done on  
18          this audit and certainly we yielded a very  
19          valuable product as a result of our feat for these  
20          audit services this past year.

21          So I wanted to thank staff, and then I'll  
22          open it up again to the Committee for any  
23          questions or any comments about the document  
24          that's been presented before you.

25          MR. HOPE: Thank you.

1           So first I want to extend our deepest  
2 appreciation to the auditors, but also to Bill,  
3 Wendy and the team, because I know when you  
4 transition from one auditor to the next, it's  
5 normally a tedious process and building that  
6 rapport which you maybe had with the other  
7 auditors for the last five years.

8           So thanks again.

9           You know, I kind of use the CAFR as my  
10 bedtime reading -- (laughter) (indistinguishable).

11          You know, having done this on an annual  
12 basis, you know, at my age is, you know, I did not  
13 see anything that sort of stands out that I have  
14 any questions, but I know that the Committee may  
15 have any specific questions as it relates to the  
16 final outcome of the CAFR.

17          So the floor is open to Committee members if  
18 you have any specific questions?

19          MS. ABRAHANTE: I had a question, just out  
20 of curiosity, on the revenue side, among the three  
21 items that resulted in the 2 million dollar  
22 increase, you explained the miscellaneous.

23          The interlocal agreement amount, where does  
24 that -- what was that all about?

25          MR. KIRTLAND: The interlocal agreement when

1 we had -- we previously had three CRA agreements  
2 with the Community Redevelopment Areas.

3 One of those areas was the City of Miami  
4 Beach, and they essentially had satisfied the need  
5 to have an interlocal agreement or the --  
6 classified as a CRA District, which is a  
7 commitment on the Trust's part of about 2.5  
8 million dollars per year to that CRA.

9 So we do not have that obligation for that  
10 area any more.

11 MS. ABRAHANTE: Okay.

12 MR. KIRTLAND: And now we have two remaining  
13 CRA Districts both in the City of Miami, one being  
14 the Omni -- and what other district?  
15 (Indistinguishable).

16 MS. ABRAHANTE: Okay. So that was the change  
17 that took place --

18 MR. KIRTLAND: Right.

19 MS. ABRAHANTE: -- during the fiscal year?

20 MR. KIRTLAND: Yes.

21 MS. ABRAHANTE: Okay. Thank you.

22 MR. KIRTLAND: Any additional questions?

23 I think we might hold -- point out the major  
24 communications letter that is also attached to the  
25 iPads that everybody has next to their -- it's

1 labeled letter, which is the communications to the  
2 Board.

3 MR. ARIZA: Yes.

4 MR. HOPE: Is that the --

5 MR. ARIZA: Yeah, it's in draft form but  
6 again, it was summarized. In three pages it was  
7 summarized in our presentation the fact that there  
8 was any significant accounting principles, which  
9 was again the 25 that I mentioned after the prior  
10 period adjustment, any difficulties that during  
11 the process of performing our audit or any  
12 disagreements with management, which there were  
13 none, and it makes reference to the fact that this  
14 document is held separately and by itself from the  
15 letter.

16 MR. HOPE: I just have one quick question.

17 So sometimes when the draft is presented,  
18 normally prior to going to the Board, there might  
19 be some potential changes.

20 Are there any anticipated changes prior to  
21 going to the Board?

22 MR. ARIZA: No. We don't -- we don't expect  
23 any changes on our end unless though when you have  
24 any changes with the wording in the document.  
25 This already had been approved by the Quality

1 Control Department. Every -- when we issue  
2 anything out of our firm, it has to be signed by a  
3 licensed CPA in the State of Florida and also has  
4 to be approved by the Quality Control Department,  
5 which they have already approved to issue.

6 I believe that once you have the management  
7 representation letter and you (indistinguishable)  
8 as far as, as soon as tomorrow.

9 MR. HOPE: Okay. Thank you.

10 All right. So if you have no additional  
11 comments or discussion, I guess the next step is a  
12 motion to accept the draft?

13 So can I have a motion, please?

14 Is there a motion necessary?

15 MS. GRAVES: It's not necessary.

16 MR. HOPE: The lady attorney says no motion.

17 (Laughter).

18 MR. HOPE: All right. So let me extend again  
19 our thanks and appreciation. Thanks again.

20 MR. ARIZA: Thank you for allowing us to be  
21 of service.

22 MR. HOPE: Thank you.

23 All right. So moving on to the motions,  
24 Resolution 2019-A, authorization to negotiate and  
25 execute a contract with Armstrong Creative

1 Consultant, Inc., an agency selected from the  
2 approved vendor approval for a term of six months  
3 commencing April 1, 2019 and ended September 30th,  
4 2019, to plan and execute the 2019 Children's  
5 Trust Family Expo, and the total not to exceed  
6 \$290,000.

7 Can I get a motion?

8 MS. ABRAHANTE: So moved.

9 MR. HOPE: Second?

10 MR. REYES: Second.

11 MR. HOPE: Any discussion?

12 No?

13 Okay. And this, we have seen this pretty  
14 much every year, so it tends to be a pretty  
15 standard resolution.

16 I don't think we have any recusals, right,  
17 for this?

18 MR. HAJ: No, the only difference for this  
19 res is that the extra \$10,000, after the Parkland  
20 incident last year, we added additional security  
21 in the X-ray machines and security screening to  
22 enter the facility.

23 MR. HOPE: Okay.

24 All right.

25 So can we get a vote, all in favor?

1 BOARD: Aye.

2 MR. HOPE: All opposed?

3 (No response.)

4 MR. HOPE: Okay. The Resolution passes.

5 Resolution 2019-B, authorization to

6 retroactively approve a service order agreement

7 with Rex Three to trim and prepare for

8 distribution the Childrens's Trust Trilingual

9 monthly parenting newsletter for twelve months

10 commencing on October 1, 2018 and ending on

11 September 30th, 2019 in an amount not to exceed

12 \$50,000.

13 I think we have some samples here.

14 All right. Can I have a motion, please?

15 MS. FERRADAZ: So moved.

16 MR. HOPE: Second?

17 MS. ABRAHANTE: Second.

18 MR. HOPE: Okay.

19 Any discussion, questions?

20 Recusals?

21 Yes, ma'am.

22 MS. ABRAHANTE: Just a quick question, I

23 know we're getting it for less than we had

24 planned, what was the original budget that we

25 started with?

1 (Indistinguishable).

2 MS. NUNEZ: (Indistinguishable).

3 MS. ABRAHANTE: The original budget that we  
4 had for this item?

5 MS. NUNEZ: Well, we did -- we did a special  
6 resolution that it was done in the month of the  
7 December.

8 MS. ABRAHANTE: Uh-huh.

9 MS. NUNEZ: So it was at that  
10 (indistinguishable) so that (indistinguishable)  
11 with the reduction.

12 MR. ALI: It was for \$6,000.

13 (Indistinguishable).

14 MS. ABRAHANTE: So it's \$6,000 less?

15 MR. HOPE: Okay. (Indistinguishable).

16 All in favor?

17 THE BOARD: Aye.

18 MR. HOPE: All opposed?

19 (No response.)

20 MR. HOPE: Motion passes.

21 Resolution 2019-C, authorization to execute a  
22 contract amendment with Miami Dade County to  
23 retroactively modify the method of payment up to  
24 16 interventionists, 2 (indistinguishable)  
25 specialists and a program coordinator hired by the

1 Foundation for New Education Initiative, Inc., a  
2 subcontractor under Together for Children,  
3 Contract Number SPB 1821-7600, and reclassified as  
4 16 interventionists, two (indistinguishable)  
5 specialists and a program coordinator as  
6 professional service consultants and staff  
7 employees commencing February 1, 2019 and ending  
8 on July 31st, 2019.

9 Do I have a motion?

10 MS. FERRADAZ: So moved.

11 MR. HOPE: Second?

12 MR. REYES: Second.

13 MR. HOPE: Any recusals?

14 MS. ABRAHANTE: They work with the District,  
15 I don't know if I need to recuse.

16 Okay, I recuse.

17 MR. HOPE: Okay.

18 (Indistinguishable).

19 MR. HOPE: Any discussions?

20 MS. FERRADAZ: I just have a question. So  
21 they are currently employees, County employees?

22 MS. GRAVES: No. Those employees are  
23 subcontractors under the subcontractor agreement  
24 the County has.

25 So the County has an agreement that includes

1 the Foundation and the School District.

2 MS. FERRADAZ: Uh-huh.

3 MS. GRAVES: And under that agreement the  
4 County has, the Foundation has hired those  
5 individuals to work under their contract.

6 So it's a separate subcontractor agreement.

7 MS. FERRADAZ: What I'm trying to -- so what  
8 is the -- what is the modification?

9 MS. GRAVES: The modification, it's two-fold.

10 One is in the contractual agreement those  
11 individuals were identified as employees instead  
12 of professional service consultants.

13 And then, secondly, the contracts require  
14 hourly billing for them and the Foundation has  
15 been paying them based on deliverables, not an  
16 hourly wage.

17 So after an audit -- well, an audit is  
18 currently ongoing and the audit identified the  
19 discrepancy in what the contract required for the  
20 hourly billing and what the Foundation was -- the  
21 payment practices were deliverables.

22 MS. FERRADAZ: So it will still be under the  
23 Foundation?

24 MS. GRAVES: Yes.

25 MS. FERRADAZ: Okay. Okay. Thank you.

1 MR. HOPE: Question, so when the original  
2 authorization was done, it was primarily to fund  
3 the (indistinguishable) program, and the -- so the  
4 amendment does not really impact the Trust, is  
5 there really a need for an amended resolution?

6 MS. GRAVES: Yes. Because you're the -- the  
7 Trust does not have the authority to change this  
8 component of the contract that needs to be changed  
9 for the County to change its contract with the  
10 Foundation.

11 So we have to come back for the Trust Board  
12 to authorize an amendment to the Trust contract  
13 with the County, and then after that the County  
14 will amend its contract with the School District  
15 and with the Foundation to reflect the actual  
16 payment practices and that these positions aren't  
17 employees but professional consultants.

18 MR. HOPE: So was that contract part of the  
19 original conditions for the allocation of funds  
20 when the Trust voted on that?

21 MS. GRAVES: Well, were those terms -- yes.

22 MR. HOPE: Okay. All right.

23 MS. ABRAHANTE: I have a question. Can I ask  
24 the question even though the recusal?

25 MS. GRAVES: After we vote.

1 MS. ABRAHANTE: Okay.

2 MR. HOPE: Okay. Any other questions?

3 All right. All in favor?

4 THE BOARD: Aye.

5 MR. HOPE: Opposed?

6 (No response.)

7 MR. HOPE: Okay. The Resolution passes and  
8 it flows over to you, ma'am.

9 MS. ABRAHANTE: Just quickly, will the change  
10 to the agreement result in a change of terms and  
11 conditions to the employees where instead of being  
12 paid with deductions, they will now be paid with a  
13 1099?

14 MS. BOHORQUES: No. We're more aligning the  
15 practice that (indistinguishable) happening to our  
16 contract.

17 MS. ABRAHANTE: Okay.

18 MS. BOHORQUES: So that there -- their status  
19 hasn't changed and their --

20 MS. ABRAHANTE: On the employee side, there  
21 won't be any changes?

22 MS. BOHORQUES: No.

23 MS. ABRAHANTE: Okay. Thank you.

24 MR. HOPE: Okay. So now I will turn it over  
25 to the CEO, Mr. Haj.

1 MR. HAJ: Mr. Chair, thank you.

2 Just a reminder, Champions for Children is  
3 June 13th. It's a Thursday. I believe it is on  
4 all the Board members' calendars. We would like  
5 to see the entire Board there.

6 Last year we had over a thousand guests, so  
7 we're looking forward to it again.

8 This is the time of year, too, that we're  
9 going to start getting sponsorships to try to  
10 offset the costs of this, so we will be having --  
11 at the Board, we'll have a flyer and if you know  
12 any partners out there who would like to help  
13 contribute, we would greatly appreciate it.

14 Family Expo, September 7th. We just voted on  
15 it. It's a great event for the Board members if  
16 you have not been there. So we're ramping up  
17 that.

18 And then the investment strategy, there was a  
19 discussion last year about -- the last Finance  
20 Committee meeting about the banking and looking at  
21 other banks and looking at rates and to come back  
22 within 30 days, so I'm requesting from the Finance  
23 Committee if you can give us a little more time to  
24 allow us to come back the next time at this  
25 Committee meeting to present.

1 MR. HOPE: So I did meet with Jim and Imran  
2 on this and if you recall in the last Finance  
3 Committee meeting, the discussion begun as to how  
4 should we or if we should reallocate some of the  
5 operating reserves to other community banks, and I  
6 think the mandate from the Committee was for the  
7 CFO to explore or take a look at the banks that  
8 meet the criteria and come back to us.

9 So they're asking for some additional time, I  
10 think an additional 30 days?

11 MR. KIRTLAND: Yes.

12 MR. HOPE: So if there is no disagreement  
13 from the Committee, is a motion required for that?

14 MS. GRAVES: Was a motion made --

15 MR. KIRTLAND: Yes, there was.

16 MS. GRAVES: -- on the first one?

17 MR. KIRTLAND: Yes.

18 MS. GRAVES: No.

19 MR. HOPE: So I would like to make a motion  
20 or I can extend to the floor a motion to extend  
21 the time to provide a report on the investment of  
22 the operating reserve as it relates to community  
23 banks by an additional 30 days.

24 Don't ask me to say that again.

25 (Laughter.)

1 MR. HOPE: Okay.

2 All right.

3 So -- (indistinguishable).

4 MS. ABRAHANTE: A motion to what he said.

5 MR. HOPE: Okay.

6 MR. HAJ: Can I ask for a clarification of  
7 the motion?

8 MR. KIRTLAND: I don't want you to repeat the  
9 whole thing.

10 MR. HAJ: Community bank or banks?

11 MR. HOPE: I think the original motion  
12 related to community banks.

13 MR. HAJ: Un-huh.

14 MR. HOPE: So this motion is for an  
15 additional 30 days to give the CFO additional time  
16 to look at prospective community banks that meet  
17 the requirements banks, sir.

18 So we have a second, so all in favor?

19 THE BOARD: Aye.

20 MR. HOPE: All opposed?

21 (No response.)

22 MR. HOPE: I think that brings the meeting to  
23 an end, if there's nothing else?

24 Have a wonderful day, folks.

25 (Thereupon, the meeting was concluded.)

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REPORTER'S CERTIFICATE

STATE OF FLORIDA :

COUNTY OF MIAMI DADE :

I, FERNANDO SUBIRATS, Court Reporter and Notary Public in and for the State of Florida at Large, do hereby certify I was authorized to and did report the proceedings in the above styled cause; that the foregoing pages, numbered 1 through 32 inclusive, constitute a true and complete record of my notes.

I further certify that not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor financially interested in the action.

Dated this 3rd day of April, 2019.

\_\_\_\_\_  
Fernando Subirats  
Court Reporter