Finance & Operations Committee Meeting Transcript

May 17, 2018

THE CHILDREN'S TRUST FINANCE AND OPERATIONS

COMMITTEE MEETING

The Children's Trust Finance and Operations Committee Meeting was held on Thursday, May 17, 2018, commencing at 9:30 a.m., at 3150 S.W. 3rd Avenue, 8th Floor, Conference Room A, Miami, Florida 33129. The meeting was called to order by Kenneth C. Hoffman, Chair.

Committee Members

Kenneth C. Hoffman, Miami Coalition of Christians and Jews
Steve Hope, At-Large Board Member
Laurie W. Nuell, At-Large Member
Dr. Magaly Abrahante, Miami-Dade Public Schools
Mark Trowbridge, Coalition of the Chambers of Commerce
Representative Nicholas Duran, Miami-Dade Legislative Delegation
Shanika Graves, Assistant County Attorney
Leigh Kobrinski, Assistant County Attorney

STAFF:

James Haj, President/Chief Executive Officer
Imran Ali
Chareka Hawes
Donovan Lee-Sin
Elisa Agostinho
Juana Leon
Lori Katherine Hanson
Maria-Paula Garcia
Muriel Jeanty, Clerk of the Board

STAFF (Continued):

Sheryl S. Borg

Stephanie Sylvestre

Vivianna Bohorques

Wendy Duncombe

William Kirtland

PROCEEDINGS

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

MR. HOFFMAN: Okay. Let's bring the meeting to order. It's 9:32 a.m. Welcome. We have a quorum today and I think we have a couple of resolutions. And then later, we're going to have a presentation and a discussion about the fund balance and at least a couple of plans or ideas that work with Bill and staff on and how to address that in the coming years.

So, first of all, Muriel, do we have any public comments?

MS. JEANTY: No public comments.

MR. HOFFMAN: No public comments, okay. So, the first order of business is the minutes of the last meeting which is in the second tab. Anybody have comments or want to make a motion to approve those?

MR. HOPE: Motion to approve, Steve Hope.

MR. HOFFMAN: Can I have a second?

MR. DURAN: Second, Duran.

MR. HOFFMAN: Okay. Comments, questions?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: All those in favor?

(WHEREUPON, the Board members all responded with "aye".)

MR. HOFFMAN: Opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Okay. So I see, actually, on the written agenda, we've moved the budget discussion up, which is probably good because it ties into one of the resolutions.

So, as we talked about for several meetings, we need to address, among other things, the fund balance, which has grown to about three times now the size -- a little more than three times the size of what we should have, according to guidelines and the best practices.

We did take a large step this last year by adopting the rollback rate to bring the fund balance down. But one of the -- one of the things that we were working at over the past several months with staff is how to come up with a level of spending that staff can anticipate we can put out on the street and at the same time, bring down the fund balance in a prudent manner to take into account either changes in revenues from the property taxes or potentially changes in expenditures which would be more efficiencies, because right now, we have some inefficiencies in contracting and not spending the money we're budgeting.

So, we're anticipating that that may shrink over time but as well, we need to take into account possible changes in the property tax revenues of what we forecast.

So, I think I'll turn it over to Jim or --

MR. HAJ: Mr. Chair, thank you. And Ken stated most of it. But we have worked with the Finance Committee the last couple of months to discuss the fund balance. We've been working closely with Ken the last several months and also with our Board chair discussing strategies to move forward.

So, on the first page -- you have a hard copy as well as there's a PowerPoint on the screen. But the discussion is how do we limit tax increases in the property to manage our millage rate.

You know, we've seen the fund balance go up for the last, what, six, seven years, and how do we start driving that down in a responsible manner. So we want to also talk about a balanced approach to utilize our tax revenues and fund balance to bring the fund balance down to about 15 percent of operating costs and effectively draw down at the end of three to four years to be at the government -- GFOA recommended rate.

So, on the second page, when we discussed this last year, I think we all realized it. But when we saw that the fund balance, we needed to start coming up with a plan to drive this down.

Two steps we took last year. One is the rollback rate and the other, knowing that this large solicitation is coming up, is this is our main avenue to put additional funds in to drive down the fund balance.

So, we put in an additional 35 million. The large resos coming to Programs today and that you will see all the funding recommendations coming to the full Board next Tuesday -- not next Tuesday -- Tuesday the 29th, which is also, just a reminder, that it will not be here. It's going to be at the Miami-Dade County Auditorium.

So, again, last year, we adopted the rollback rate to start driving down. And what we have been working with Ken and Bill and staff is to give -- we want to present two approaches and start having some discussions of what the Finance Committee can give us some direction of what approach do we want to take. So, Bill?

MR. KIRTLAND: So Ken and Jim have made all the best points here, so I can just basically take a back seat. But essentially, what we wanted to do today was both provide a presentation of our strategy, go over our five-year goals and our response, and we touched on both of those items thus far.

And we really just want to facilitate a discussion as to what would be the best approach over the next five years. So, some of the larger points of that discussion, as already mentioned, is that there is an initiative to utilize our fund balance during the course of that five-year period.

But we do also want to look at it as an overall budget strategy because we are looking at various approaches to our budget and operations during the next five years.

That would include what type of millage we're adopting, maybe whether or not there's decisions to add additional funds during the course of the five years.

But all of that would be understanding that this will be a very fluid process and changing over the course of the five years without, you know, no one necessarily has a crystal ball to know how everything is going to work perfectly.

So what we're trying to do is position ourselves in a manner where we are able to adjust to the conditions that we're presented, whether it's more than expected contract utilization or under-utilization or market changes.

There are some items and events that we're looking to occur in the future in the upcoming years. So that moves me into our next slide, our five-year assumptions. And even these items could be discussion points for today as to whether or not they would occur.

But before we show you the projections of what type of scenarios or strategies we are looking into implementing, we have some items that we considered in the projection of market growth and as I mentioned, the contracts.

So, if you see, we've been in contact with the Miami-Dade County offices and the budgeting offices to gain an understanding of what their expectation is of market growth is during the five years.

And in the models that they've used, how reliable has it been in the past. So, they've provided us with some projections as to what they think this will look like in the next five years.

And as you can see, the outlier is in the second year of our five-year funding cycle where there's only growth of 1.89 percent. We're expecting, as we discussed in previous meetings, an additional homestead tax exemption that will decrease our revenues or the market value in one year and carry it forward from that point. So, we have a dip in the overall market growth and available revenues that we can draw that year.

Also, we're hoping to, by implementing this plan, by the manner in which we issued the additional funds and the solicitation that we just released that we're putting forth recommendations for soon, is that we can improve upon contract utilization and under-utilization because we'll have the proper amount of funds on the street available immediately and there will be less sort of lapses of time where money's available but we're struggling to get it into the form of a contract and actual expense and recognized in our strategy.

And the other assumption is that we want to end this cycle essentially with the same type of funding strategy maybe entering into the next five-year cycle that we're expecting to fund and provide a certain continuity of our programs, that we don't expect to cut funding or dramatically increase funding at the end of that term.

And just to make it kind of circle back around to why it's good that we're having this discussion at this meeting now is that these are really some of the heavy talking points.

In June, we will come around and have our first preliminary budget presentation where we're actually compiling some of our preliminary information that's been provided by the County Appraiser's Office as part of our TRIM process. So, we present budgets in June and July before entering into the TRIM meetings in September. But these are some of the discussion points helping us generate the budgets that we'll be presenting to you next month.

So, now, we'll go ahead and move into our next slide which will present to you a little bit of understanding of what's been going on with our fund balance the last six years in actuality.

The green line, as you can see, shows you where we've ended up each year and the growth pattern in our fund balance. And now, as of our last audit date, we ended at $67,029,000.00 as our ending fund balance.

So, some of the occurrences leading to that increase, I've already mentioned that there's been rapid market growth and we've been adopting a half-millage rate for many years until this past year where we adopted the rollback rate.

And with that growth, there were struggles to get additional funds available through our providers, and those lapses in time certainly created a certain amount of under-utilization recognized in our budget rather than actually being able to recognize those expenditures.

So, the '17-'18 -- 2017-2018 change, the red line, is our projected change. It still recognizes growth in the fund balance, even though we've adopted a rollback rate to try to curb that rapid growth in the fund balance.

And then branching off from that red line is the two scenarios we're about to present to you in how we can effectively draw down our fund balance in scenario 1 and 2.

Scenario 1 is our orange line and scenario is our gray line. So, now, what I'm going to show you is sort of the data supporting both scenarios 1 and 2. And we can stop at any point and sort of discuss those items.

MR. HOFFMAN: I think the important point for this graph is that we did put the brakes on because as I recall, the projected amount was 83 or 84 million. And yet, there was -- although there was additional money put out on the street during the year, we certainly weren't trying to direct staff to spend another 10 million, 11 million dollars just for the sake of bringing the fund balance down.

But at least we got to a point where we knew we were going to have to start again planning for -- well, keep continuing to decrease the amount of revenues we're bringing in, increasing expenses or both.

MR. KIRTLAND: So, I'm going to move onto the next slide where now, you're just bombarded with a lot of numbers. And I'll try to walk you through maybe the most important parts of the data presented to you. Sure, go ahead.

DR. ABRAHANTE: What is the millage rate for this year?

MR. KIRTLAND: We're at .4670.

DR. ABRAHANTE: Okay. Thank you.

MR. DURAN: I have a question for you. So, the 2019-2020 expected market growth, the 1.89 percent, is that based on the -- this is -- this is an additional homestead -- this is an additional homestead tax exemption that people believe or presume will probably be taxed this year?

MR. KIRTLAND: Right.

MR. DURAN: Okay.

MR. KIRTLAND: In our communications with the County offices, they did give us an actual -- I think we mentioned it at previous meetings that we expect three million dollars less in revenue. But that percentage growth was built into the overall market value increase in this table to estimate and calculate our revenues.

MR. HOPE: Question.
MR. KIRTLAND: Sure.
MR. HOPE: So, for 2019-2020, because of homestead exemption, there's a projection of a three percent decrease, correct, based on --
MR. HOFFMAN: Well, 1.9 percent.
MR. HOPE: -- from the previous year. So, it's an increase? Because the homestead exemption would lead to a reduction in the increase in revenue.
MR. KIRTLAND: Right.
MR. HOPE: So, seeing that 2018-2019 with five percent, 2019-2020 would drop by approximately three percent because of increase in homestead exemption?
MR. HOFFMAN: Just the growth rate.
MR. HOPE: The growth rate, right, the growth rate. So, as you move forward, you're projecting a 4.5, so can the assumption be that had the homestead exemption not being taken into consideration, we projected a 7.5 percent increase?
MR. KIRTLAND: No, the increases -- the percentage increases are consistent from year to year. It wouldn't increase the growth. It only recognizes one year because we're building it into the total market value.

Because it does not grow without the homestead tax exemption of five percent, it doesn't mean that the remaining years need to be adjusted. It just means that your basis is lowered in one year and then it grows that amount from that year on.

MR. HOPE: Okay, thanks.

MR. HOFFMAN: And I think one of the important things, again, that Bill said earlier, he's going back to the County in their budgeting department and talk to them about what they do.

I think, if you look at the historical growth, the five percent is actually conservative, because historical growth in the last three or four years has been in the eight to ten percent range.

So I think that that's their methodology. When you look at their last budget, they said, we're using five percent and then 4 1/2 percent thereafter. They may think it's going to be more or less but I think that's conservative.

MR. HOPE: Okay, thank you.

MR. KIRTLAND: Okay. So, what I want to point out, first and foremost, is our 2018-2019 year. That's the budget year that's upon us and what we'll be discussing very soon and the most foreseeable set of circumstances that the Trust will be facing.

As you can see, the assumed millage rate, it's just a projected millage rate at this point. But we implemented into this projection is essentially another rollback rate year.

We've looked at our entire solicitation and maximized our potential as to the opportunities which we can fund our programs and that has been built into this projection.

The expenditures that we'll be budgeting this first year will be roughly almost 163 million dollars. But to more accurately forecast where we'll be by the end of the cycle, we've backed out some of that under-utilization that we mentioned that ranges in this cycle from five to six and-a-half percent to realize what our actual expenditures will be and its effectiveness of drawing down our fund balance.

So, when the question may be asked why we're not adopting a rollback -- sorry, a higher than a rollback rate -- our response would be that for this one-year period, at least, we don't have any immediate funding opportunities to expand or justify a larger rate than the rollback rate for another year.

So, this could be considered maybe the more conservative approach to the two scenarios I will show you today, because it does two things. It really leads us, again, as I mentioned, as a goal of this type of strategy that we adopt, is to recognize that all the market conditions and the contracting conditions are hard to predict and they may be very fluid throughout the five-year period.

So, in a conservative sense, if you look at the rate that we -- the millage rate that we look at adopting from year to year, we never really put ourselves in a situation where we have to continue doing something, where we have to adopt a half-millage rate to continue funding or there are needs that we cannot pivot to by maybe adjusting the millage rate and market conditions are greater or less than what we need or if there's additional funding opportunities that we've learned about that we have the ability to also expand upon the revenue that we draw on an annual basis.

So, essentially, it's conservative in a sense that we have the ability to adjust to our circumstances. And we're also -- actually, I'm just going to go ahead and go to the next slide and maybe come back if there's questions. But I just want to provide the digital of what's happening in this strategy.

You can see, we really used a large balance of our fund balance in the first year. So, as far as maybe any of the questions being asked about, are you using your fund balance and using tax revenues in a manner that's responsible, we are answering that question immediately in the first year.

And then we look to slow down the draw rate of our fund balance as we approach the end of the funding cycle because we want to be in a position where we're arriving toward a millage rate that's representative of what we need to answer that other question or the assumption posed that we want to be funding our programs in the same manner in the next solicitation cycle as we are right now.

So, you can see how from 1 through 3, we have the most of the drawdown if you try to level off in the last couple of years of our funding cycle.

So, are there any questions about -- we can go back to the data on the presentation if you have any questions about the calculations and how they're presented here.

MR. HOFFMAN: I think the highlights, again, are, we're putting an extra 24-25 million dollars in the budget and the staff has planned in the these solicitations or going to implement most of the plan to get the money on the street.

And yet, we have, again, as Bill said, in this scenario, we have room in subsequent years to raise the millage rate a bit if we find that there's a shortfall in income tax revenues or property tax evaluation or there's a higher utilization than expected. Because again, both of those are the main risks in trying to forecast the future.

So, I think, this is what I would call a "conservative" way and yet it allows us to go back to the continued rollback rate and take the biggest chunk out of the fund balance in the first year which, again, is consistent with the goal of doing that as well as putting more money on the street.

MR. KIRTLAND: Also, I just wanted to highlight the middle years with this strategy. Essentially, you're looking at adopting another rollback rate to bring in some more revenues as our prior year.

And then we have incremental millage rate changes. And even though there are other increasing, 470, 480 and 4825, the last year, a drop in the rate is actually a representation of another rollback rate year.

It's because what we're trying to do, as I mentioned, we're bringing in revenues that match our expenditures once we utilize the amount of the fund balance that we wanted to utilize during the funding cycle.

So, we're looking at maybe a two rollback rate year strategy with incremental increases in the middle years. So, we start and end in the same place.

DR. ABRAHANTE: Quick question. For the average homeowner, what would be the increase in taxes between '18-'19 and '19-'20 and when is the reauthorization of the Trust going to be?

MS. NUELL: We don't have to reauthorize.

MR. HAJ: The reauthorization is not needed.

DR. ABRAHANTE: Not needed?

MS. NUELL: No.

DR. ABRAHANTE: Phenomenal. Okay. So, I still have a question. That was the emphasis for my question. What would be -- you know, because remember, I know on our side, we moved the needle a thousandth of a percentage, you know.

MR. HAJ: It's minimal.

DR. ABRAHANTE: It is minimal?

MR. HAJ: Wendy, what is it, a couple of dollars?

MS. DUNCOMBE: The rollback rate should be nothing. I think, last year, it may have been as much as a dollar.

DR. ABRAHANTE: So, it's negligible?

MS. DUNCOMBE: Right.

MS. NUELL: And I think, in all the years past, where we didn't, you know, where we took the full half-mill, I think there was, like, one, like, one, you know, person that brought it up in the entire Miami-Dade County.

DR. ABRAHANTE: People usually don't come up when you get used to something. But once you lower it, to pick it back up, it's a challenge at times. If it's negligible, it doesn't matter, you know. But if it's an amount that they'll notice --

MR. HOFFMAN: Well, this is part of the impetus for the next slide and showing an alternative where it would be, particularly in a year like this year, where we're putting a lot of additional money on the street, that we're doing it but we're bringing it right back to a half-mill and see what the effect of that is, and then we have a decreasing rate over five years each year.

But we may not get, A) the rollback rate in any of those years and B) again, we're also looking at an assumption where we're raising more tax revenues in a year where we still have a fund balance much higher than it has to be.

MR. KIRTLAND: So, perfect segue, I guess, into our second scenario. And I'm going to jump actually, Muriel, if you don't mind going all the way to the graph for scenario 2 and then we'll come back to the data, just to kind of paint the picture what these numbers are doing.

So, you can see, this is a much more sort of simplified way of drawing down our fund balance. It's just a straight line approach, equal increment approach to drawing down our fund balance year to year.

But now, if we go back to the data, I can show you a little bit more about what's happening and the considerations that need to be made.

So, essentially, it's almost, in a way, a flip of what we were doing before. Rather than arriving toward a millage rate that represents the revenue we need to bring in on an annual basis to sustain our programs, we're actually finishing the funding cycle, adopting a rate that gets to where we need to be in the fund balance but not necessarily a proper representation of the millage rate we need to adopt to bring in the revenues that are needed on an annual basis.

So, actually, I'm going to look at this backwards, right? If you look at '22-'23, you see the expected revenues from adopting that millage rate. It's 141.5 million dollars compared to the total adjusted expenditures of 152.3 million dollars.

So it sort of puts your strategy upside down. We started out the fund cycle adopting half-millage rates and decreasing those rates throughout the year.

Where maybe it does provide us with a little bit more of a review conservative in the other scenario as well, perhaps maybe this type of representation is a conservative drawdown type, you know, where it's not necessarily -- there's not an outlier year where it's too aggressive, maybe, one year versus the other, but it does still provide other challenges as to what we mentioned about the ability to be flexible throughout the funding cycle, being able to adopt, you know, millage rates that represent our needs to fund our programs.

And like I said, it just -- it does not fulfill that goal necessarily where we arrive at the millage rate that we need to be. So if we did, in '23-'24, seek to adopt that rate, we would be relying on a tax increase in the final year.

But perhaps it does paint one interesting option. If you look at the expected revenues, after the first year, 138.3 million dollars. If you look at the amount of revenues you need each year, they're essentially the same from '19-'20 to '22-'23.

So this presents a possibility of adopting a multiple rollback rate year without announcing tax increases to the public but does leave us in a different strategic position at the end of the funding cycle.

MR. HOFFMAN: So I think the important thing for today, which is going to tie into the first resolution, is that we really needed staff to sharpen their pencils on what strategies we could adopt.

And I don't think we need to adopt at this meeting one or the other, but we certainly have now gathered the right data or better data than we had before and come up with a strategy that both fits a better projection of expected revenues as well as, you know, staff's goal of maximizing the amount of money we can put on the street.

So, again, we don't have to adopt this. But as Bill said, we wanted to present it now so that it's sort of antecedent of when we come back in a month or so and start talking about the budget. We will have to adopt the first-year rate or make a recommendation on the first-year rate, on scenario 1 or scenario 2.

And as Bill said before, the likely scenario 1, I think, would be the preferable scenario because the end effect is really the effect we want to try and match our revenues with our expenditures.

Are there any other questions, or we can just move into the resolutions?

MR. KIRTLAND: I have a question. So, is it the desire of the committee to come back with preliminary budgets at the next meeting with maybe a representation of both the millage rates that were presented in both of the scenarios today, just to maybe circle back around to what was presented today and that there might be two different approaches to the '18-'19 budget year and adopting maybe one or the other millage rate, maybe reminding everybody of the discussion that we had today and how that leads our strategy going forward?

MR. HOFFMAN: Well, I think we should have options -- an option. You can show the budget that is in the preferred method but we ought to have a discussion at least about what the alternative millage rate is once we have those preliminary numbers and can make that decision.

Any other questions, Bill?

MR. KIRTLAND: I'll let you know.

MR. HAJ: No, we'll prepare the TRIM documents. We'll be back every week with both scenarios.

MR. HOFFMAN: Okay. So, the first

resolution is 2018-A, authorization to increase the total amount of youth development funding to be awarded for high quality after-school and summer programming for elementary, middle, and high school children and youth, from the initially-approved amount of $48,472,504.00 by $5,307,123.00, for a combined total amount not to exceed $53,779,627.00 annually, for a 5-year funding cycle to begin August 1, 2018.

Do I hear a motion to that effect?

MR. HOPE: Motion, Steve Hope.

MR. HOFFMAN: And a second?

MR. DURAN: Second, Duran.

MR. HOFFMAN: Okay. And again, the last discussion was sort of a predicate for this because what we're doing in this resolution is saying, last year, we kind of approved the overall categories and amounts that we were going to allocate to each category or target for each category.

Now, we look at a fund balance projection and strategy and see that we can implement a higher amount of funding. And as you'll see when we get to the Board meeting, and if you do attend the Programs Committee meeting, that the requests for funding were significantly in excess of what we had planned or had budgeted, and so we're trying to increase, again, for the fund balance strategy, the amount of funding. That's what this resolution is about.

MR. KIRTLAND: Right. A lot of our discussions in past meetings that we've used the number 30 million dollars in additional funding in our solicitations instead of saying 35, primarily because of this resolution.

MR. HOFFMAN: Okay. Any questions -- other questions about this?

MR. HOPE: Yeah, just one quick question. So, in the presentation, it indicates about a 5-6.5 percent under-utilization program services. So that is taken into consideration in this request?

MR. KIRTLAND: In this resolution?

MR. HOPE: Yeah, in this resolution.

MR. KIRTLAND: Yes, absolutely. Everything that was presented today was built on the assumption that this resolution would pass, essentially, that additional money would be built into that strategy.

MR. HOFFMAN: This is still the gross amount that we'd like to fund. And really, we've had a couple of conversations about it as well. Staff was tasked with finding ways of making sure we are funding that during each fiscal year that we budget it, but that may take a little time.

Any other questions?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: All those in favor?

(WHEREUPON, the Board members all responded with "aye".)

MR. HOFFMAN: Opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Motion carries. Resolution 2018-B, authorization to negotiate and execute a third year and final contract with Health Choice Network of Florida, Inc., for the maintenance and support of The Children's Trust's school health programs' utilization software, in a total amount not to exceed $500,000.00, for a term of 12 months, commencing July 1, 2018 and ending June 30, 2019.

Can I have a motion to that effect?

MR. HOPE: Motion, Steve Hope.

MR. TROWBRIDGE: Second, Trowbridge.

MR. HOFFMAN: Okay. Any recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Questions, comments?

MR. TROWBRIDGE: This is the final year for options; is that correct?

MR. HAJ: Yes. What you see in front of you, we're requesting to approve this and the second reso is requesting an RFP, because we have been funding this for the last seven years. We want to see if there's an ability to do it in a cheaper amount.

MR. TROWBRIDGE: Okay. That was my question. Thank you.

MR. HOFFMAN: Any other questions?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Okay. All those in favor?

(WHEREUPON, the Board members all responded with "aye".)

MR. HOFFMAN: Opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Motion carries. And then the companion Resolution 2018-C, authorization to issue a request for proposal for an electronic system to track school-based health services, including development and deployment of the software, in a total amount not to exceed $500,000.00, for a term of 12 months commencing October 1, 2018 and ending September 30, 2019.

Do I hear a motion to that effect?

MR. TROWBRIDGE: I'll move it, Trowbridge.

MR. HOFFMAN: Second?

MR. DURAN: Second, Duran.

MR. HOFFMAN: Okay. I have a question about this, I guess, really, two questions. First is, is this

RFP for a five-year contract or do we plan on doing this each year?

MS. SYLVESTRE: It would be for a five-year contract. Our procurement policy allows us to have a five-year contract for software with at year 3, doing an evaluation, say, if it doesn't make sense to continue with this vendor or not.

MR. HOFFMAN: Okay. But do we need to say that in the RFP, authorization to issue an RFP for a five-year contract with an initial term of, or is it okay --

MS. GRAVES: I think it's okay because the RFP will spell out the specific terms.

MR. HOFFMAN: Okay. And my second question, do we expect competition in this and can we get it a lot cheaper?

MS. SYLVESTRE: I hope so. The existing software is Legacy Solutions, and so there are multiple ways that we can go. As we are talking internally, there is about three different options that could bring those costs down, so I'm hoping that we would get competition.

I believe we're going to be reaching out to some of the vendors, just to let them know that this is going to be coming out so that they can -- they can bid.

IT people don't normally bid on government stuff, so we have to go out and, like, encourage them.

MR. HOFFMAN: And the sixth month overlap would give a new provider enough time to transition data and --

MR. HAJ: Correct.

MR. TROWBRIDGE: I have two questions. I think you said, Jim, that the current provider is now going into the seventh year. Did the material change scope, because obviously things change much more rapidly, you know --

MR. HAJ: Change scope here or --

MR. TROWBRIDGE: Scope of services in the RFP.

MR. HAJ: -- historically?

MR. TROWBRIDGE: No, going forward, are we looking for something a little different?

MS. SYLVESTRE: Yes.

MR. TROWBRIDGE: Okay. And then second question was on, I think, to your earlier point, that, you know, going out and trying to encourage folks to bid. Do you ever do, like, a pre-bid meeting where you would invite people?

MS. SYLVESTRE: Yes. We're going to -- when we release it, we're going to have a bidders conference to explain what exactly we're expecting of the software. And there's -- I don't want to get into all the details, but there's so many different places that we can go and bring the software cheaper and make it more user-friendly.

One of the biggest challenges is that it's not a user-friendly software and it takes longer --

MR. TROWBRIDGE: Yeah, it's old. It's outdated. It's seven years old, a lifetime.

MR. HOPE: Question. So, seeing that the vendors that you are going to approach, I mean, are they part of the approved vendor list or given that this is a unique type of service, do they need to become part of the approved vendor list or it's an aberration and there are provisions that allow for us to go outside of the approved vendor list?

MS. SYLVESTRE: I think this is unique enough because it's medical records. It's basically, we're running a medical health records system. We would -- some of the vendors would be in our vendor pool right now but some of the vendors we're approaching would not be. There would be no reason for them to be in our vendor pool right now.

MR. HOPE: Is there any policy right now that would prevent you from going outside of the vendor pool?

MS. SYLVESTRE: No, I don't think so.

MS. KOBRINSKI: Sorry, I missed the last part.

MS. SYLVESTRE: Is there a policy right now that would prevent us from going outside the vendor pool to procure this?

MS. KOBRINSKI: I think you have a vendor pool for this, right?

MS. SYLVESTRE: No. We have an IT vendor pool but we don't have a vendor pool for medical health records, which is a lightly different solution.

MR. HOFFMAN: I think if we approve an RFP, it can be -- it could be either one. It doesn't really say "of the vendor pool." It wouldn't have come to us for an internal RFP from the vendor pool.

MS. SYLVESTRE: Okay. Yeah, I don't think that if we just limit this to our vendor pool, then we would really need an RFP because there's one vendor in our vendor pool that could potentially provide the solution. We have to open it to other people outside of our vendor pool.

MR. HOPE: The intent was so that you're not restrained by the vendor pool from going outside.

MR. HOFFMAN: Any other questions, comments?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: All those in favor?

(WHEREUPON, the Board members all responded with "aye".)

MR. HOFFMAN: Opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Motion carries. So, let's see, turn it over to Jim.

MR. HAJ: Mr. Chair, thank you. Champions for Children, June 14th. I believe yesterday it was dropped on everybody's calendars, all the Board members. Board members are complimentary. If you want to bring guests or your organizations want to buy a table, we have a link there as well.

Family Expo is going to be at the Youth Fair September 8th. Summer youth internships is going exceptionally well. We sent a link to all the Board members. So, again, if you want to hire interns, please use that link.

Young Talent/Big Dreams, it was a phenomenal event a couple of weeks, two, three weeks ago. We highlighted it. You'll see it on Facebook, social media and we pushed it out throughout the County.

Solicitation update, as you know, mental health was approved a couple of months ago. Today in

Programs, we are bringing parenting and youth development and then we have some smaller ones that will be coming out, innovations, small CBO's, in the next couple of months.

Monthly financials are on your tab. I'm not sure if you want to review them.

MR. KIRTLAND: I have an announcement, I guess, regarding the monthly financials. In correlation with what we were discussing today, Ken has been discussing with staff maybe some ways to improve these monthly financial statements.

Our model really presents an interesting situation because we really do receive so much of our cash flow needs at the beginning of each year. You know, we essentially can receive about 70 percent of our revenue within about maybe three to four months of starting the year.

So, the real risk, and as I was presenting earlier -- and sorry, I keep pointing to the non-projected presentation -- it's our ability to lessen the under-utilization rate that we've seen in years past.

So, as we adopt better systems and work with -- it's really important for us to monitor our programs in the coming months and years to make sure that those indicators are there to monitor our contract in a way that we know when under-utilization is occurring.

So, we'll be looking at maybe shifting the design of our financial statements to provide still the basic information needed but maybe present information in a way that starts to identify when programs are maybe under-utilizing their awards at any specific time during the year.

Because the numbers on a monthly basis just really -- it's a heavy beginning cash flow. It's just, you know, incremental expenditures from that point out for the rest of the year.

So, there's not a lot of new information to bring in the monthly financial statements, you know, unless maybe you're looking at those types of things, identifying contracts and programs that need adjustments.

So, we'll be looking at ways to enhance our reporting method so that these types of considerations are made on a monthly basis.

I have one more announcement, too.

MR. HAJ: Can I finish mine? In the CEO report, our contracts under 25K are listed on page 10. Bill, would you like to add anything?

MR. KIRTLAND: Yes, sir. Just an announcement that also next meeting, in addition to our budget discussion, we'll also have some information of the review for the audit services RFP. We'll be coming back with some results of the review.

I'll have to get with counsel on maybe what should be or shouldn't be said with regards to the cone of silence in that RFP, but I just wanted to say that that will be part of the discussion at the next meeting.

MR. TROWBRIDGE: Can we ask you the number of responses we have?

MS. KOBRINSKI: It's a publicly-announced meeting so you can ask.

MR. KIRTLAND: We had five responses and, I think, about four out of five of those were eligible.

MR. TROWBRIDGE: Okay, great.

MR. HOFFMAN: Okay. Any other business?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Can I have a motion to adjourn?

MR. TROWBRIDGE: So moved.

(Whereupon, at 10:14 a.m., the meeting was adjourned.)

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 that I was authorized to and did report the proceedings in the above-styled cause; that the foregoing pages, numbered from 1 to 37, inclusive, constitute a true and complete record of my notes.

I further certify that I am 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 1st day of June, 2018.

Fernando Subirats
Court Reporter