Finance & Operations Committee Meeting Transcript

July 6, 2017

THE CHILDREN'S TRUST FINANCE AND OPERATIONS

COMMITTEE MEETING

The Children's Trust Finance and Operations Committee Meeting was held on Thursday, July 6, 2017, commencing at 9:35 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
Honorable Isaac Salver, League of Cities Miami-Dade County
Laurie W. Nuell, At-Large Member (VIA TELEPHONE)
Esther Jacobo, State Attorney Representative Miami-Dade
Nelson Hincapie, Office of the Mayor, Dade County
Leigh Kobrinski, Assistant County Attorney

STAFF:

James Haj, President/Chief Executive Officer

Imran Ali

Brenda Galarza

Emily Cardenas

Juana Leon

Maria-Paula Garcia

Muriel Jeanty, Clerk of the Board

Samuel McKinnon

STAFF (continued):

Stephanie Sylvestre

Vivianne Bohorques

Wendy Duncombe

William Kirtland

GUESTS:

Ramon Branger

Elizabeth Guerin

Claudia Sarabia

Davenya Armstrong

Thom Mozloom

PROCEEDINGS

(Recording of the meeting began at 9:35 a.m.)

MR. HOFFMAN: All right. It's 9:35. Let's call the meeting to order. 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 approval of the June 8, 2017 minutes. Do I have a motion to that effect?

MR. SALVER: I'll move it.

MR. HOFFMAN: Second?

MR. HINCAPIE: Second.

MR. HOFFMAN: Any corrections or changes?

(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: The motion carries.

MR. SALVER: Mr. Chair, before we move forward, can we have everybody in the room just introduce themselves so we'll know who's in our audience.

MR. HOFFMAN: Sure.

MR. MOZLOOM: I'm Thom Mozloom and I am with the M Network.

MS. ARMSTRONG: Good morning. Davenya Armstrong, Armstrong Creative Consulting.

MS. GUERIN: I'm Elizabeth Guerin. I'm with ImaginArt Media Production.

MS. SARABIA: I'm Claudia Sarabia. I'm with WOW Factor Marketing.

MS. BOHORQUES: Vivianne Bohorques with the Trust.

MR. BRANGER: Ramon Branger from Branger + Briz.

MS. DUNCOMBE: Wendy Duncombe with the Children's Trust.

MS. LEON: Juana Leon with the Children's Trust.

MR. HOFFMAN: Thank you. So the first order of business is a presentation of the preliminary budget for 2017-2018. I'll turn that over to Jim and Bill.

MR. HAJ: Thank you, Mr. Chair. This budget was presented to the last Finance Committee. It was brought to the Board and it was tentative. As of July, we got our new numbers.

Not much changed, an additional $135,000.00.

But if I can go through the one-page PowerPoint that's in front of you on your budget 201 tab. The Trust still provides and will continue providing critical services for children and families in the community.

And the property appraiser assessed the tax roll at 274.6 billion, which equates to 130.4 million ad valorem tax revenue, or a $10,135,000.00 increase in the Trust revenues from last year, which is 8.42 percent.

The Children's Trust will offer the additional 10.1 million in alignment with the strategic plan, the plan and the Board's guidance. We had two retreats last month and the month prior, with four million going to early childhood, three million, youth and development and three million to parenting.

And again, this is what we talked about at the Finance Committee and went in front of the full Board. The only addition is the health and wellness, the additional $135,000.00. We had, throughout the year, some discussion about oral health and vision, and we thought this would be a good place that we have some things in the pipeline that we can fund, so we placed $135,000.00 there.

The Trust is budgeting a net decrease in management expenses of approximately $317,000.00, which is related to a decrease in budget position and includes a merit increase of 4.4 percent.

And just to let everybody know, for the last two years, we brought down management costs, last year, $470,000.00, this year, $317,000.00. And we brought down staffing levels considerably that we were able to, last week, move the 5th floor over to here.

So again, we had an office on the 5th floor in the United Way with 20 office spaces, a conference room, a kitchen and everything else, and we have now turned that back over to United Way as of July 1st.

And for the first time in nine years, the Trust has reduced its management expenses to 7.5 percent of its total expenses. So I don't think there's anything -- as Isaac stated at the Board meeting, this is a pretty clean budget.

The only discussion that we wanted to bring, and we spoke to Mr. Chair the last couple of days, is regarding fund balance and how we will use fund balance and bring down fund balance as it relates to our next large solicitation as we think is the best mechanism to do so.

And there is a chart on the last tab. There's a fund balance chart. So again, we find ourselves, as the fund balance continues to grow year after year, through the Board, our job is to -- the direction we've had is to drop down fund balance to approximately two months operating expenses, which right now is roughly -- what is it, 24 million, Bill?

MR. KIRTLAND: Right, 23.9.

MR. HAJ: And now our fund balance is going the opposite way. But we have identified that and we do have a plan for corrective action. I want to turn it over to Bill to talk a little bit about fund balance and the charts in front of you.

MR. KIRTLAND: As Jim mentioned, there was the request, I think, maybe at our last Finance Committee meeting or maybe even before that, to come back to the committee and discuss maybe what our strategy will be to more aggressively look to draw down the fund balance in the coming solicitation cycle.

In years past, we've faced challenges effectively being able to draw down fund balance due to some factors such as revenue growth in the market as well as under-utilization of contracts.

So what we want to do in the coming cycle and the amounts that we choose to release in the upcoming solicitation cycle is to reasonably estimate these occurrences that took place over our previous planning cycle period.

So we will build an expectation into the amounts that we release into the next three years or into the next solicitation cycle that will reasonably expect revenue growth and under-utilization of contracts.

And as you can see in your second chart with the yellow line of the draw-down expectation, as we set a relatively aggressive number, I would call it, at 74 million dollars, this chart is completely dependent upon estimates.

We are looking at trying to expect where we will finish the September 30th, 2018 year from this point in time. We're still looking at completing our fiscal year 2017 and then we also have the fiscal year 2018 to complete before knowing what this actual final number will be.

But based on our historic approach, we have seen maybe five percent under-utilization and maybe five to ten million annual growth in the fund balance the last couple of years.

So to allow for flexibility, the strategy that we've developed is a six-year draw-down strategy. This will allow us to reasonably analyze the market, if there's any changes to the market, because the expectation you see before you with the yellow draw-down line, the basis that's been established for this is that we will, at a certain level of under-utilization in certain contracts, really a reasonable level of under-utilization that often occurs, maybe about five to ten percent sometimes that are unused in contract amounts, as well as three percent revenue growth over the period.

If either of those factors were to exist within a three-year cycle, we can adjust ourselves at the three-year mark and accurately or accordingly be able to pivot to what we need to do in the following three years to successfully reach our balance goal of 23.4 million after a six-year draw-down period.

Now, again, as I mentioned, there's a number of factors that could occur over that amount of time that could incrementally change this expectation. If the property value in the Miami-Dade market were to either be stagnant or decline in value, that would more aggressively draw down our fund balance because of the amounts that we have released at the beginning of the solicitation cycle.

So this is just our basis. There will be, I'm sure, a number of opportunities in the three to six-year term where we will have opportunities for additional spending outside a solicitation.

But this strategy allows for us to expect a draw-down over a six-year term based on the amount that we plan to release in the upcoming solicitation cycle. So the chart above the fund balance projection will give you some insight into the increase in contract expenditure that we expect to release in the 2018-2021 solicitation cycle.

There's about a 25-million-dollar increase projected in our contracted expenditures, on the blue line, and on the gray line below is our projected expenditures. This is building in that expectation that not all of our awards are fully utilized through contracts. So essentially, we will be over-contracting to project a lesser amount than we are contracting at.

What we haven't done in years past in expecting our draw-down rate is our assumption has always been that 100 percent of what we will contract will be fully utilized in establishing the number that we arrive to at the ending fund balance.

MR. HOFFMAN: Before we take questions, let me just comment on our discussion, because this came up a few Finance Committee meetings ago and again, we directed management to come up with a strategy to reduce the fund balance.

So after going over this and some other -- the budget and the like with management, the first observation is that a lot of this is historical, because obviously, the fund balance is built up over a number of years.

And my initial reaction was, Well, how did we end up with such a high fund balance this year, when we're coming up with a budget for next year, why don't we just increase the budget to absorb that fund balance.

And part of the issue, in talking to management, is that although there are and directed, I think we should direct management to continue to look for opportunities to spend down some of the fund balance.

Since we're in the third year of solicitation, doing solicitations on a timely basis for this coming year, plus the new contracts as well as the utilization factor, I think we'll have a difficult time impacting it, trying to let out new contracts as well as the strategy, which was decided several years ago, to try and keep the funding cycle basically the same, that will help us with management information as well as tracking, letting out and keeping responsibility over the contracts in the various areas that we serve.

So although I think this needs some work on an ongoing basis to look for those opportunities, I think this is a good start. And one of the things that, again, I've talked to management about is that we need to look for opportunities, not just this year but in the coming three years just to chip away at that.

Now, I do, in talking about it and thinking about it, obviously, if you're including, as Bill said, a revenue increase of about three percent per year for property taxes, I'm not going to be the one to predict that that's going to be out there in three years, nor should any of us.

In fact, I think that the likelihood is that we'll see at least a flattening or decrease in property taxes. That means that it will start eating into it just by natural attrition with this type of contracting in the next cycle.

I think, also, and again, a lot of it depends on the technology way forward and the ability of the Trust to better management contracts going forward. But I think we have a clear path to better managing both the solicitation process, so it's quicker and the contracting process is more efficient, but in addition, a monitored process so we're able to better figure out where we have under-utilization.

And finally, I have talked to Jim about it, where he said, I think it's something we need to look into from a contracting point of view, is making sure we have, for existing contracts but explicitly for future contracts, the flexibility to increase our spending if we feel it's appropriate and we have the funding so that we're not looking at a six-year target necessarily but a three-year target.

And I think this is the beginning of the process. So I think if we budgeted our spending to try and bring the fund balance down in three years, we probably would be spending way too much and we wouldn't be able to sustain that for a three-year period. Isaac?

MR. SALVER: Yes. I don't really understand the chart, frankly.

MR. HOFFMAN: Which chart?

MR. SALVER: The one that we're looking at right now, fund balance strategy for upcoming solicitation cycle. First of all, the yellow -- on the lower graph, the fund balance that's shown here on the yellow line, let's say, '17-'18, which says -- is defined as "ending balance", is at 74 million bucks.

When we look at our budget, the budget for the fiscal year '17-'18 says, "fund balance" -- and I'm a CPA -- it says, "42 million bucks."

MR. HOFFMAN: That's the beginning fund balance.

MR. SALVER: Right, okay. So I don't think we've had a fund balance for 74 million dollars for three or four years. So I'm not really sure where you got that number from.

MR. KIRTLAND: Right. So as I mentioned, what we're trying to do for the planning of the solicitation release and the amounts is use historical growth of our fund balance and the approach that we've had to try to more reasonably project what our ending fund balance will be as of September 30th, 2018.

The number that any fund balance that's proposed on the budgeted amount for September 30th, 2018 falls in line with what we were discussing about the way we typically have budgeted in the past to expect how we'll draw down fund balances.

So it assumes full utilization --

MR. SALVER: So that's the worst case scenario?

MR. KIRTLAND: Yes, right.

MR. SALVER: If we don't change anything and our funding increases, we might end up with 75 million bucks in the bank?

MR. KIRTLAND: Yes.

MR. SALVER: Okay, great. So the green line says, This is our objective, 49 million, more or less --

MR. HOFFMAN: For the first three years.

MR. SALVER: Okay. I thought -- again, I thought our objective was 23 million five hundred and, you know, that is the blue line on the bottom. And I didn't hear anything in the comments that you made, Bill or Ken, telling me how we're going to get either from the yellow line, which is worst case scenario, the green line, which is probably what's happening now, I don't see anything getting us to the blue line. I don't even see the blue line defined on the chart.

MR. HOFFMAN: Well, Isaac, again, I think I said this, this is -- first of all, this is a three-year approach. This is a three-year projection. In talking through this with management, if we decided to bring the fund balance down to 23 million in three years, our spending level -- our normal spending level or our hopeful spending level, meaning the 164 million for the '18-'19 cycle, might have to be 180 million.

We wouldn't be able to sustain that type of level of funding. So what we'd be looking at is bringing the fund balance down in three years and then dropping off, let's say, 20 million, 25 million in funding in year 4.

MR. SALVER: But I think it's that exact attitude that got the Trust in trouble in the mid-2000's where, you know, after three or four years of operation, the fund balance of the Trust was probably 100 million dollars. And people were clamoring that year that we didn't establish the Trust to hoard money. We established the Trust to put money on the street.

So I think we need to kind of reboot our approach and perhaps consider putting out proposals for 10 percent or 12 or 15 percent more than we really want to spend. This way we'll, at least, at the very least, end up spending what we projected to spend. Just like the airlines overbook a flight, they'll sell 210 seats for a plane that has 200 seats. I think we're going to have to do that.

MR. HOFFMAN: Well, I don't disagree. But I think that, again, for this initial cut, I think that, as Bill said, one, we're predicting a revenue growth over this entire period, which is probably not realistic.

And secondly, we believe that the gap -- or management believes that the gap is going to start to shrink. So this is the gap between budgeted and expenditures is based on sort of a historical practice, a historical timing device in getting contracts out there to historical utilization.

Management believes that that's going to shrink. So if you want to look at this way, this also should be a worst case scenario. And as I said, I think, even for this coming solicitation period, we need to look at opportunities.

If we could find, in the next year, because there is a big spending gap between '17-'18 and '18-'19, if we could find opportunities to put another five, ten, fifteen million dollars into programs, then I think that would be -- that wouldn't hurt us. All that would do is change our six-year projection or five-year or four-year projection of how we're going to be in line where we should be.

MR. KIRTLAND: Well, maybe, if I might just clarify the formula that you're questioning. I think, Isaac, to an aspect of what you were mentioning about the over-contracting is exactly what we're trying to accomplish. If you look at the two charts and maybe me pointing to exactly the two numbers will help reconcile that understanding.

Essentially, we're saying, if you look in the top chart for fiscal year '18-'19, the first year of the funding cycle, if we achieve actual expenditures of 148.7 million dollars, then we will accomplish the 74 million dollar draw-down to the 64 million dollar draw-down.

But essentially, our contracting levels, where we're contracted at, is 164 million dollars to expect. It's sort of an example that you mentioned about the over-selling to expect absenteeism, I suppose. So that's what we're trying to accomplish here.

MR. HOFFMAN: And I think if we achieve the efficiencies that we're talking about, we probably will never get to 100 percent of contracted versus spending. But if we get a lot closer, we're talking 10 or 15 million dollars a year drop in the fund balance.

And that's why I said, I think that this is at least a reasoned approach and that we ought to then supplement that with every opportunity we can to put money into spending on programs.

MR. SALVER: So even in the best case, it looks like we're going to end up with 49 million dollars in the bank.

MR. HOFFMAN: Not the case. If you were to erase the gap in the next three years, that's 45 million dollars right there. We'd have a zero fund balance. But we don't think we can erase the gap. We think we can narrow it.

MR. HOPE: Question. So Bill indicated that you have a five to ten percent under-utilization annually.

MR. KIRTLAND: Per contract basis.

MR. HOPE: Okay, plus a three percent revenue growth. So in order to at least maintain the 42 million, you will have to increase expenditure by between eight and thirteen percent per year. Would you agree with that?

MR. KIRTLAND: I'll try to run the math in my head.

MR. HOPE: Well, five to ten percent for under-utilization, three percent revenue growth, so that would bring in an additional -- assuming that your expenditures remain constant.

MR. KIRTLAND: Right.

MR. HOPE: So you would have to increase expenditures between eight and thirteen percent, which will still keep you at the 42 million. So it means, then, that if you're going to draw down and reduce that 42, your expenditures are going to have to increase above 13 percent.

And so what is the plan to do so and is that reflected here?

MR. KIRTLAND: I'll just -- let me see if the percentages match up. In our current budget, we have 138.8 million. Our plan would be to increase that annual budget to 164 million. I think that represents some of the increase that you're attempting to arrive to.

MR. HOPE: That's 26 million as a percentage of 138, 18 percent?

MR. KIRTLAND: Eighteen percent.

MR. HOPE: Okay. So that would be an additional five percent in addition to your projections?

MR. KIRTLAND: Right. But the one variable would be the flexibility within each contract's under-utilization.

MR. HOPE: Right. Thanks.

MR. HAJ: And if you look at the two bullet points at the bottom, in September, we will be bringing to the Board a release of the next large solicitations. So adding between 25 and 30 million dollars to that solicitations will assist with the fund balance draw-down.

MR. HOFFMAN: Nelson, do you have a question?

MR. HINCAPIE: No, it was more just a comment and caution. And I understand the need to put the money out on the street. But I would caution not to put money out just to put money out.

And I've said this over and over. And I love where Stephanie is going, being able to measure and quantify how I measure my own kids. And I can't say it enough.

So, you know, I understand and I know that money needs to be out on the street. But if you look at what happened, I don't think we're better off now than we were when we put the money out on the street because we had to put the money out on the street. I don't know if that makes any sense.

MR. HOFFMAN: I'd point out, as Jim said, I mean, we're looking for opportunities both in existing contracts for the coming cycle as well as maybe building flexibility into future contracts to adjust our spending within the three-year cycle.

Because I think that's part of, Isaac, what I -- after going over this with management, I think that what's hampered us, we're looking at this at the tail end of the cycle. If we were just looking at the next three years, I think we could adjust our spending and do it equally.

We just can't do that much -- as much to this coming solicitation without doing new solicitations, bringing in new providers, which I think is not going to be practical for the timeframe we're talking about doing the one-year contracts.

Any other -- so this is a work in progress. And I really think that -- I mean, I appreciate the comments, and I think that this is something we ought to be looking at as a committee, perhaps at least quarterly, and deciding where we are and whether we've been able to identify strategies.

And certainly, Nelson, the idea, I agree, is not just to throw money into the street. It's to spend wisely and spend more money, if we can, in things that will progress the mission.

MR. HAJ: Ken, just in closing, this is the top priority that we will be bringing back to the Finance Committee regularly and telling you where we're at with this.

But I think you mentioned two things. Part of what we've been talking about, our IT way forward, and you mentioned this. I just want to reiterate it. It's a contracting process to shorten that so we can get money out on the street quicker.

I am pleased to announce, for the first time in Trust history -- was it last week or the week before?

MS. SYLVESTRE: Last week.

MR. HAJ: Last week, we did our first on-line contracts, so we're looking at closing that gap. And more importantly, it's utilization. We have real-time data.

And I was telling Ken, last summer, I wanted to know where we had open summer slots and we couldn't get it. We physically had to call every provider that we fund and call them on the phone and get numbers.

So once we have real-time data and real numbers, then our staff can monitor utilization, because that's what's affecting our fund balance. We have to maximize utilization.

MR. HOFFMAN: And we have to figure out how to push people that have needs into those slots.

MR. HOPE: As we look at how we spend the money. I know we spent some money on capacity-building for the smaller organizations. So as we look at disbursing some of these additional funds, I'm just hoping that these small organizations will be given consideration if we spend money to hopefully get them ready to participate in the process.

So is your mechanism to, I guess, ensure that some of these smaller agencies are considered?

MS. SYLVESTRE: So we're working through a plan to systematically review every contract in our portfolio and make a determination on how to increase their funding.

And as part of that, we're actually leveraging some of the new technology. We're pulling data and looking at -- we're looking at contracts within an initiative and across an initiative in a consistent manner to get to a point where we can say, how can we increase funding and also where we have other initiatives around capacity-building where we're helping to build organizations in a way that they can apply for our next funding cycle.

Our hope is that we would not only have the current portfolio of providers but that we would have more new providers in our ecosystem that can provide services in areas where we might not have penetrated as much such as we'd like to penetrate.

So, yes, we are -- we're looking at all of these different -- so it's a little complex, so we can't go as fast as we would like to go.

MR. HAJ: In the September Finance and Programs Committee meeting, we'll be sending notification out today or tomorrow from our Board chair that we're going to morph that into a small retreat to deal with the solicitations.

So if we can inform the Board of the different steps that we're going through for this next large solicitation so everybody's well-versed before this important solicitation goes out.

One is timeline and two is community engagement. We're getting it out to the community, letting people know the RFP's are coming out. And we have -- I think it's elaborate but I think we need three hours just to speak about that.

MR. HOFFMAN: Good. Any other questions?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Let's move on to the resolutions.

MR. HAJ: We need to have a motion for the millage and to approve the budget to take to the full Board on Monday.

MR. SALVER: Now?

MR. HAJ: Yes.

MR. HOFFMAN: Okay.

MR. SALVER: Because we didn't talk about millage at all.

MR. KIRTLAND: I think it's just a motion to bring the proposed budget to the Board on Monday. The millage and the budget are separately voted on at the TRIM hearing.

MR. HAJ: But last year, we took the millage and the budget separate to the July Board meeting.

MR. HOFFMAN: That implies we're expecting a certain millage rate?

MR. HAJ: Yes, it's on there. It's on the budget itself. It's attached to the 201 tab at the very top, so to accept the budget is to accept the millage.

MR. SALVER: Let me tell you, that would be one way to reduce the fund balance, reduce the millage. But anyway, I feel like a lone wolf over here. Because, actually, I know that we've talked about the budget just based on five mills. But we didn't talk about it in any other way, shape or form.

So I know that this is taxed and the Children's Trust is letting them tax on the taxpayers of Dade County. I know, in years past, I've always spoken that before you vote on the millage, just keep in mind that you are voting for a tax.

And if the County has set value, which is 275 billion, increased from last year to this year, keeping our millage the same is an increase in tax and will be published as the Children's Trust Board voted to increase tax to five mills, just for the record.

I mean, I'm a little uber-sensitive to that because I'm an elected official and I have to account to my constituents for taxation matters.

MS. JACOBO: Is one of the -- is one of the things that's going to be -- should be considered is that if we seem to be struggling with the fund balance, is that what you're saying? I mean, we're struggling with the fund balance and we're still asking for more money from the taxpayers. This is not a --

MR. SALVER: This is an option that we have that has not been discussed for a second here, at least on the committee level, the notion of reducing the millage rate, which would pretty much reduce the fund balance as well.

MS. JACOBO: Right. What Nelson said earlier is that, you know, we seem to be -- I know we're trying to look for flexibility in our existing contracts, etc., but it seems to be that we are literally laboring to reduce -- yeah, so we have too much money, it's not that. But, you know, you never want to say you have too much money.

But if the issue is that we're laboring to try and reduce the fund balance and we're not really, you know, it's kind of a concept that is out there, you know, we're talking about being flexible in contracts but there's no real concrete discussion around what you mean exactly by that.

I guess I understand what Isaac is saying, that we're asking the taxpayers for more money on the front end, still on the back end.

MR. HOPE: So can we discuss it before the vote?

MR. SALVER: I think it would be

appropriate.

MR. HOFFMAN: We already discussed it. Nelson?

MR. HINCAPIE: What's the maximum millage we can charge? Is it five?

MR. HAJ: Two years, I believe, to the rollback rate. Those were during the recession, '08 and '09?

MR. KIRTLAND: Right, back in the mid-late 2000's.

MR. HINCAPIE: So we were at 4-point something?

MR. HAJ: The rollback rate is at what, Bill, this year?

MR. KIRTLAND: The rollback rate exactly is .4673, which would main the same revenue as we recognized last year.

MR. HAJ: And the average homeowner's rate is what, is an additional what for the average homeowner, $2.00, based on two hundred thousand?

MR. HOFFMAN: What would the revenue be?

MR. KIRTLAND: The rollback rate, the same revenue as -- last year, we recognized revenue of $120,335,000.00.

MR. HOFFMAN: And our projection is?

MR. KIRTLAND: Our projection is $130,470,000.00.

MS. JACOBO: At the rollback rate?

MR. KIRTLAND: At .5 mill. The rollback rate would take us to the $120,335,000.00.

MR. HINCAPIE: So here's the other ways to look at it. So if you look at the newspaper and you look at everything that goes on, and you look at the gun violence and you look at all of these things going on everywhere, and you have the Children's Trust reducing the tax rate.

Meanwhile, you have all of these issues, unsolved issues for years. So, yeah, so I get a tax break of, at the most, how much -- you know, a hundred bucks a year. And yet, you know, the issues with children are not solved.

So I see the need to reduce the fund balance definitely. And I am sensitive to the fact that it's important for taxpayers to know -- I think the most important thing is for taxpayers to know that their money is being used wisely and that the children's lives are improving at the end of the day.

That's how I see, you know, myself as a taxpayer is, you know, are children better off now than they were. And frankly, the answer is "no."

MR. SALVER: Are you saying that emotionally or are you saying that intellectually?

MR. HINCAPIE: I'm saying that's what I see in Court every day, day in and day out. I'm saying that's how many children go into foster care. I'm saying that because Jim just told us a year ago, we couldn't find slots and we had to call every single one of the providers.

I'm saying that because I'm passionate about the children that are being shot and killed. I'm passionate about all of those things. So, yes, I'm saying -- and by what I read in the paper.

MR. SALVER: So, James, through the chair, I mean, can you corroborate what Nelson is saying, that the children -- we spent 110 million dollars last year or thereabouts, and the children are no better off last year -- this year than they were last year?

MR. HAJ: No. I mean, I think that's a hard question to answer. I think we put 25,000 kids in summer programs and after-school programs. I think we give kids health. We do so much from birth to eighteen.

Is our funding impactful? Absolutely. And can we use more money to impact? Absolutely as well. With the increase, if we keep it at the millage, we're adding 25, 30 million dollars to the next solicitation.

Will it impact programs? Will that add more programs to the community? Yes.

MR. SALVER: So you're suggesting that --

MR. HAJ: No, I just want to add that discussion piece, that it will add an additional 25 or 30 million dollars to September when we ask to release the next large solicitation.

It will take some time for the fund balance to draw down on that.

MR. HOFFMAN: Isaac, I do recall, I'm sure the minutes will reflect, in the committee and the Board last year having a discussion about the millage and about the rollback rate.

And I think the sentiment -- and again, we had this discussion of the fund balance and how it had grown out of proportion. I think the sentiment was that there are tremendous needs, that there are funding from other sources that are in question, and that we ought to be, as an institution, trying to maintain and increase our funding for children and families.

Having said that, again, I think that the fund balance is a backdrop, but I don't necessarily think that it's been focused on before in the same way. And I think it's something that we need to correct in tandem.

I think if we were to maintain the rate, then we hope that that rate will allow us to spend maybe three percent per year more as property taxes go up but I wouldn't bet on that. I wouldn't bet the property taxes are going to go up for the next 10 years. I'd bet they're going to go up and down and maybe flatten off for a while.

So, I, for one, and again, I'm not an elected official, but I am sensitive -- I pay taxes and I'm sensitive to what we are asking the taxpayers -- I, for one, believe we should spend as much money as we're legally allowed to do to solve the problems that we can, because I don't think there are a lot of other -- there's not a huge stake in it out there and you can see it's being -- you know, and again, it's not a political statement. It's being eroded by politics and by other means. We're not the only person out doing what we're doing but we're an important factor in this community.

MR. SALVER: And let me tell you, the more I think about it, there's been a lot of dialogue about, this is the third year of a three-year funding cycle, this is the third year of a three-year funding cycle.

Does that sound familiar to anybody here? I think this is -- honestly, one thing is that I support going to the rollback rate, A) for the reason that this is the third year of a three-year funding cycle, and it gives us a year to figure out how we can really spend the actual money that we can spend at a different millage rate or 5.0 millage rate.

You know, 5.0 is -- that's the maximum millage rate that we're allowed by law. We really should run this organization with the ability to tap into more funds if we needed to tap into more funds.

The discussions here and that chart that William created for us clearly shows that we don't really need to tap into extra funds. And I think we should take advantage of this third year of the three-year funding cycle to take your foot off the accelerator for a year and take a little bit of bite out of the fund balance, which is projected to be 74 million. That's contraindicated to what this committee wanted to do.

I mean, spend exactly what you want to spend in this budget but let's back off the accelerator and let's reduce our millage rate. I think it would be a good idea.

MR. HOPE: I think that there's definitely a need in the community for additional funding. I think the challenge here is -- or the challenge to management is to identify those areas that can benefit from the additional funding.

Because as Nelson talked about, a lot of the issues that are affecting youth and children in the community coming from the not-for-profit sector, I see on a daily basis.

And one of the challenges has always been the lack of funding. So I think the question for me is not necessarily too much money but how do we spend the money, how do we maximize the social impact of those dollars that we spend.

So I think the challenge to management is to come up with a plan that demonstrates to taxpayers that we are maximizing the social impact of the dollars that you contribute as a taxpayer.

I think having the fund account grown over the years may demonstrate that there is additional need to look a little further in terms of, what are the areas that we can expend this money to see positive results, not only to have positive results, but I think we can have a greater social impact if we look at how we spend the money.

So I don't think it's too much money in the system, but I think identifying areas where this money can be allocated.

MR. KIRTLAND: I wanted to just clarify

also, I don't think I mentioned it earlier in the presentation, that we built into our three-year expectation and we've mentioned it at previous committees, is the legislation that may reduce our -- or over the homestead exemption that also reduces the overall property tax value that we can recognize in future years.

MR. HAJ: And that would be in '19. It impacts between three and five million dollars in 2019. And aside from -- I know the fund balance discussion. I just found out yesterday, Broward is taking to the voters to go to a full mill, their CSC, their Children's Trust, and West Palm has it at a full mill.

MR. HOFFMAN: So in rough numbers, if we were to go back to the rollback rate, on the budgeted purposes, our budgeted ending fund balance would be 30-something million, ten million dollars less?

MR. KIRTLAND: Right. The challenged in years past have been, I call it, catching up to the revenue. Like, for the last year, when he had eight million dollars in additional revenue, we issued -- we put back eight million dollars as a form of solicitation and took a certain amount of time to vet and choose the programs and contracts that we would eventually contract with seven months into our fiscal year.

Now those contracts, even though those contracts are ripe, so that is the same type of challenge we'll be faced with, with the additional revenue from the upcoming year.

So my projection would be that our ending fund balance or, I would say, the starting fund balance for this draw-down plan would be up to 10 million dollars less.

MR. SALVER: Can you instruct staff, as we're still conducting this meeting, to bring us a historic -- because I kind of disagree with James. I think there were multiple years, not just two years, that we were below five mill.

MR. KIRTLAND: So maybe if I can pull the CAFR.

MR. SALVER: Pull the CAFR out and just tell us what our historic millage rate was from 2004 to current, okay?

MR. KIRTLAND: Let me see if I can find it here.

MR. SALVER: Because I think that's important if we're going to make a decision. If we're going to pass a recommendation to the Board, it should be a recommendation that we've fully studied.

And although we have the budget in front of us, which I don't even suggest change, we should have all the information in front of us and make a decision that is logical and after the proper deliberation.

MR. HOFFMAN: It certainly -- and again, without harming the plan, the plan for the six-year draw-down, certainly is one way of accelerating partial draw-down.

And again, although we would like to say that we should put as much money effectively on the street as we can, having that balance is an albatross we ought to, you know, get rid of, bring down to a reasonable level.

So I don't disagree with the philosophy that we should necessarily bank more money. I do think that whatever we decide at the committee meeting to recommend, it's still a Board discussion, that even if we have an agreement unanimous here, we ought to air the discussion because it is something that certainly there are people that are more politically sensitive --

MR. SALVER: But I can tell you, historically speaking, I don't remember, since I've been on the Trust, the Board at-large going against any recommendation from the Finance and Budget Committee. So that's why our opinion is heavily weighted.

MR. KIRTLAND: We have recognized a full

half-mill ever since September 30th, 2010, so that would be October 1st, 2009 through September 30th, 2010. So the 2009 year, we were right at, I believe, a rollback rate but at a lesser than the full mill, .4212. And then from 2010 on to the current date, we've been at a full half-mill.

MR. SALVER: How about from 2004?

MR. KIRTLAND: I'm not sure about beyond 2008 because our CAFR reports on a 10-year window. But I could go look into historical --

MR. HOFFMAN: What was the start date?

MR. KIRTLAND: '04.

MR. HOFFMAN: My guess is, for those first three or four years, it was fully taxed?

MR. SALVER: No, it wasn't.

MR. HAJ: It wasn't.

MS. CARDENAS: It was a full half-mill.

MR. SALVER: It was a full half-mill?

MS. CARDENAS: Yes, sir.

MR. SALVER: I'd like that confirmed. But either way, obviously, the Trust -- you know, there was a period of time -- what were the years it was less than the full half-mill?

MR. KIRTLAND: As of September 30th, 2009. In 2008, we had less than a full half-mill. It may have been lesser before that but I'm only looking at a 10-year window.

MR. SALVER: Okay, so a 10-year window.

MR. HOPE: So while you're looking, didn't that -- the budget is a fluid document and revenue projections can change. Do we have a plan in place -- like last year, we had eight million dollars and we had to figure out how we're going to spend it.

Is there a proactive plan in place that says, if this happens, this is how we're going to spend the money? If revenue drops, these are the funds -- these are the programs that would not benefit but if revenue increases, this is how we're going to spend the money, or do we make that decision once we've determined we have a surplus of revenue?

MR. HAJ: No, we're going through that process now. One for the large solicitation which we'll be coming to in September and now the additional ten million that we've put in place looking at how to get that ten million out the door as quickly as possible, because we don't want -- last year, we had an additional eight million but it just hit the streets two months ago because we went through the whole competitive solicitation process.

So we're looking at avenues of how can we get that money to the street as quickly as possible and all that is built into Bill's chart.

MR. KIRTLAND: In 2004, we recognized a full half-mill and then from 2005 to 2009, we had less than a full half-mill, various rates.

MR. SALVER: Can you say that again.

MR. KIRTLAND: As of September 30th, 2004, we recognized a full half-mill. And from 2005 to 2009, we --

MR. SALVER: Just give me the rates.

MR. KIRTLAND: In 2005, we had .4442. In 2006, we had .4288. In 2007, we had .4223. The same rate in 2008. And .4212 in 2009. And then we were back to a full half-mill in 2010.

MR. HOFFMAN: Property values were increasing steeply in those years and causing us to project --

MR. SALVER: You know, values are cyclical. I mean, it's not as if we're -- you know, we put it in fifth gear and, you know, took off the clutch, you know what I'm saying?

This is a fluid -- you know, fluid thing. I think it's a perfect opportunity to back off a little bit. That's just my opinion. If everyone else is okay to go to five mill, that's what we've been doing -- and

I'm not suggesting that we change anything in the budget.

Even the extra ten million dollars, spend the extra ten million dollars which we're prepared to spend and draw down a little bit of the fund balance, at least for one year. Because it's good. We can revisit this every year. I mean, I don't think it would be bad in the eyes of the public.

As a matter of fact, since we need to approve this, I'm going to make a motion to forward to the Board of Directors the rollback rate of .4673 as part of the budget for 2017-2018.

MR. HOFFMAN: Can you confirm that amount.

MR. KIRTLAND: The rollback rate of the -- again, it would be -- the rollback rate would be the same rollback rate of $120,335,000.00.

MR. HOPE: What is that percent?

MR. SALVER: .4673.

MR. HINCAPIE: Is that a tax cut?

MR. SALVER: Yes. No, I take that back. It is not a tax cut. It's a no-change. It won't be published as a tax cut. But when our budget is published, our millage rate is published, it will not say "tax increase."

MS. JACOBO: Neutral?

MR. SALVER: It will be neutral, right. It's not a cut. It stays the same. That's how the County does it and the State requires it.

MS. JACOBO: So we have a motion. We have -- did we have -- we had an original motion on the --

MR. HOFFMAN: This would be an amendment.

MS. JACOBO: This would be an amendment, okay. So we didn't pass --

MR. SALVER: Was there a motion?

MS. JACOBO: I don't think there was a motion.

MR. SALVER: I don't think there was a motion, no.

MS. JACOBO: I think it was an ore tenus motion.

MR. HOFFMAN: So your motion is to approve the budget with an amendment to increase the projected revenue by utilizing the rollback rate?

MR. SALVER: That's correct. Or we can -- let's take it in two separate -- yeah, we'll do it separately, yeah, because we started talking about making a motion to approve the budget and then we talked about, well, Jim wanted to go over it all together.

So I'm just making that motion that we go to the Board or suggest to the Board that we use the rollback rate of .4673 for fiscal year '17-'18.

MS. JACOBO: Okay. We still have to make a motion -- the original motion; is that what you're saying?

MR. SALVER: No, no, no. It's a brand-new motion.

MR. HOFFMAN: Nobody made it. Do we have a second?

MR. HINCAPIE: Second.

MR. HOFFMAN: Question, Isaac.

MR. SALVER: Yes, sir.

MR. HOFFMAN: And again, I'm not in the business of predicting the economic scenarios in the future, but I see the benefit of doing this, because one of the things that I said when we started talking about the fund balance is that having a six-year projection, they should have been doing this in three years.

So finding out how much to spend in this case and lopping off -- making it a five-year by taking that ten million dollars is, I think, a good thing from the fund balance perspective.

My concern would be, in order to sustain the amount of spending, again, I'm not predicting, but I don't see that we're going up in the economic cycle in the country, in the city. And my question is, what's going to happen next year when we genuinely see that we need a tax increase or the year after that to maintain our level of spending and the level of services that we still will put out there because we were able to do so with the existing fund balance and a program to reduce it.

MR. SALVER: Well, Ken, first of all, I don't know if anybody's in the real estate business or the business of development -- real estate development. I'm not.

But I can tell you one thing. I live in the town of Bay Harbor Islands. Right now as we speak, there are -- it's a town of 5,900 people. There are no less than 15 new real estate development projects that have not achieved a CO yet.

When those CO's get issued, all that real estate will be on the books of the County, on the County rolls, which will bolster the tax base, at least for my town.

And I'm presuming that there are many, many, many municipalities with these types of developments. You see them. You go down Brickell Avenue. These developments, they're coming out of the ground. And they're not on the rolls yet.

So we don't really need values of the existing properties to go up so much because there is such a stock of brand-new properties that are going to come on-line, that I don't think we're looking at a decrease in this 275 billion valuation County-wise.

I think we're going to be seeing increases for at least the next three years, and we can always revisit the topic of millage rate next year.

MR. HOFFMAN: Steve?

MR. HOPE: You know, coming from the non-profit sector, some of us believe that with the new administration, that we will see a drop in public service funding. I think there's going to be a greater need in the coming months or maybe next year for additional funding that we supplement some of those lost funding. For that purpose, I would want to stay with the current rate.

MR. HOFFMAN: And just to clarify what I said earlier, looking at the current projection of the fund draw-down, is the statement correct, though, that by taking this 10 million dollars out of the current fiscal year, we'll still be on the same trajectory and maybe after three years, we'll wind up with 30 million instead of 40, maybe?

MR. KIRTLAND: Right. It may not be as

linear as that but obviously, with a starting point much lower, so we'd either keep the same plan to issue just as many additional funds in the solicitation that would draw down the rate faster or create a plan with a more manageable draw-down still in the three to six-year term.

MR. HOFFMAN: We would still have -- again, four years from now, we would still have 15 million -- unless we did something else, we'd have 15 million dollars more that we wanted to have for safety purposes in our reserve?

MR. KIRTLAND: In that range. I believe you're right.

MR. HINCAPIE: I have a question. Jim, when you mention the ability now, for this year, for this to be in real-time, the slots in all these summer camps, we are looking at IT Solutions that you're bringing to be able to see in real-time needs of children -- am I making that up?

Is it going to be easier for us to measure the impact in real-time that our dollars are having out there?

MR. HAJ: Yeah. Once we finish the IT Solutions, it's easier for us to evaluate programs. It's easier for us to get data for the programs. It's easier for us to get real-time data on who is in attendance in these programs and participation in these programs.

And that will -- I can't give you a date specific. What do you think?

MS. SYLVESTRE: So the first, I should say, Phase-2 is going to be completed around October of this year and that creates a foundation. The real-time information, data collection and ability to interact with the participants in the program and allow them -- for us to capture, get their sign-off to say, yes, we can get their data from the school system and from other entities which has been a challenge in the past, that solution is going to be rolled out in August of 2018.

And actually, one of the resos that we have before us today is to talk about building out that solution in the next fiscal year. So we are actively -- we're talking about having a session to plan out the timeline for Phase-3 of our technology way forward and look at what is in Phase-4 in the next few weeks.

So all of that is to go towards, how do we better manage our portfolio and how can we be proactive. And so Bill and I have conversations about what changes -- additional technological changes we can put it in place so that we can look at contracts that are not spending down at an appropriate rate and not wait until the end of the contract year but at other times during the contract year, reach out to them and say, how can you spend down and how can we be creative.

We've been doing that on a manual basis this past year and it has borne good fruit. So we are actively looking at how to bring down fund balance. And as Ken said, the more that we can get 100 percent or close to 100 percent of our contracts executed before the start date, the more we can move that excuse off the table and now it's about how to ensure that providers have the best fiscal strategy to spend down the monies that they are getting from us.

And then also, the understanding that we are cost reimbursement, so how do we help them get unrestricted dollars so that they can leverage their money to the fullest extent.

So we are actively looking at strategies that will allow us to bring down fund balance, streamline our management of our portfolio and be able to report on the true impact that we're having in the community that you've been asking for.

So it's not a one-thing approach. We're looking at technology. We're looking at how we engage with the providers and we're looking at fiscal strategy.

We're looking at capacity-building.

So I think all those strategies are important. And I'd like to be a little bit bold and say, we need to be sensitive that when you put monies out on the street and then you don't have enough money, you have to pull back the money, it is very disruptive to the programs we fund and it also is disruptive to the parts expense of the program.

And it erodes the trust that we're building with our providers in the community because now they cannot really say, well, okay, I'm in this funding cycle, I am doing my best and I know that at least for the next three years, this is more or less the money I'm going to get from the Children's Trust so I can do some kind of forecasting and budget planning. So I think it's a very complicated intertwined thing.

MR. HINCAPIE: Well, going to Isaac's rollback millage of .4673 --

MR. SALVER: It's not Isaac's. It's ours.

MR. HINCAPIE: How will that affect programs for '17-'18 in any way?

MR. HOFFMAN: I think, as we discussed before, we already have the built-in flexibility because we have this very large and large projected, although we don't know if it will be 70 whatever million, I think that's what Bill's projection right now is for it.

So that shouldn't affect -- it's certainly not going to affect this year. It shouldn't affect our ability to budget and spend and even maybe spend more to continue to bring down that six-year plan to less than six years.

I guess the question is, when we go to the next year, we'll still have to look at the numbers again and say, okay, we're going to be at 30 million dollars pretty much in the three-year cycle, should we be changing the 160 million contracted or not.

Again, there are a lot of variables involved. It sounds to me, based on what I've discussed with management before as well as this discussion, that it shouldn't affect our three-year cycle.

And I appreciate, Isaac, the fact that we can go back during that cycle and say, we're now spending at this level, this is what we're contracting, we're seeing -- and we're able to utilize it better so we're going to go back to the old millage rate.

I guess, Jim, you know, any thoughts on it? Because I know we have talked about ways of bringing it down. This is certainly one that gives it a bump and it doesn't seem like it will affect in any way our plans over the next four fiscal years.

MR. HAJ: No, and I appreciate the discussion. I want to continue keeping this in the forefront. Do I foresee it impacting programs immediately? No.

But the essence of a fund balance is what happens in the case of an emergency, what happens if there's a recession, what happens if a hurricane hits, what happens if something else, you know, in drastic times, we want it to be there so we can insert ourselves, or do we have the flexibility for a year.

I think it's a healthy discussion. I think it could go either way. I understand Isaac's point, and it's hard to go out to the community to say you're sitting on this much money and we're continuing to raise funds.

However, they would love us in the case of an emergency. I mean, that's what we need to be for children and families.

MR. HOFFMAN: Again, as we look at the projected fund balance, we seem to have more than enough in that rainy day fund.

MR. HAJ: Yeah, and it helped us during the recession when it went down, that we didn't -- in times of need when families and children needed us, we were able to be there during the recession.

MS. JACOBO: And we still had to cut.

MR. HAJ: And we still had to cut.

MR. HOFFMAN: See, this is why, again, this is why we brought the discussion up, and I made sure that it was a graphic discussion about the actual numbers because I think it's an important thing for us to know and then to make a recommendation to the Board.

MR. KIRTLAND: Just another clarifying point. If the Board passes the motion to utilize the rollback rate, the notices will go out and that's the maximum rate that we can have passed at TRIM.

If the Board were to approve on Monday the full mill, we can always come down from that millage at the TRIM hearing to the rollback rate.

MR. HOFFMAN: But again, given the fact that we're really spending money that we don't project spending for the next three or four years anyway, is there any reason why, in that proposed motion, that we would want to say that money is still going to be in the bank account three years from now?

MR. SALVER: Well, in reference to what Bill just said, the result of our discussion here is a recommendation to the Board. This is not -- whatever we do does not have teeth, although it has an impact on the Board because the Finance Committee suggested it.

But again, the Board sets the tentative millage rate, not us. So we just make a recommendation.

MR. HOFFMAN: Okay. Let's bring it to a vote, the motion being to recommend to the Board --

MR. SALVER: The rollback rate.

MR. HOFFMAN: -- the rollback rate. All those in favor?

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

MR. HOFFMAN: Opposed?

MS. JACOBO: Aye.

MR. HOPE: Aye.

THE COURT REPORTER: The nays, for the record?

MS. JACOBO: Esther Jacobo.

MR. HOPE: Steve Hope.

MS. JEANTY: So it didn't pass?

MR. HOFFMAN: I voted "yes."

MR. SALVER: You're going to present this one, then.

MR. HAJ: So that is the millage. And then with the budget?

MR. SALVER: Okay. I'll move that the spending component of this budget be passed as presented and the accounting department, any adjustments relating to our suggested millage rate but do it on the income end, not on the expense end, so it will affect -- whatever change we make for the millage will directly affect our fund balance, so I further that as a motion.

MR. HINCAPIE: Second.

MR. HOFFMAN: Any further discussion?

(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: The motion carries. Okay, back to the agenda. All of our resolutions in this meeting are related to our communications. And we're going to spend a brief minute --

MS. CARDENAS: A brief, brief minute. A great segue from the budget discussion is to tell you that the communications budget is stagnant. It has not moved in the last couple of years. It remains the same.

What these resolutions reflect is basically keeping business as usual, that we must continue to market and promote our programs, services and initiatives because we are a prevention-based business.

Our programs are not mandated in any way.

They are voluntary. And what these resolutions also reflect is a greater shift in marketing through digital means and through progressive media.

And so you see in here reductions in resolutions that will cause a reduction in the use of print, increases in digital and continuing to move our infrastructure, our IT way forward with the development of new tools to reach people in the digital age.

And so that's what you see here in sort of a comprehensive way, and we will have a presentation, a visual presentation for the Board on Monday. But we thought we would spare you that presentation today.

And I'm kind of glad we did because most of all of you in this room have been on this committee for the last year and saw my presentation last year, and so you understand why it is that we spend a small percentage of the Children's Trust budget on marketing and communications.

And so with that --

MR. HOFFMAN: And one of the things I asked Emily when we talked about it specifically is where do these all fit in the overall budget, and these represent about two-thirds --

MS. CARDENAS: Roughly two-thirds of the overall communications budget is represented right here in these resolutions.

MR. HAJ: The only thing that's not included in here are the Events Expo and the Champions and then the backpack giveaways.

MS. CARDENAS: The back-to-school giveaways.

MR. SALVER: Before we go to the resolutions, Mr. Chair, I have a couple of comments and questions. Going forward, I noticed -- I don't know. I guess I've been on fire since you became the treasurer. I'm just noticing a lot more.

But I noticed that the way the resolutions are written -- Emily, I would suggest you put your antennas up -- you're not -- I'm not seeing the actual name of the corporation that we're contracting with.

There are a few that are there that say, "LLC" at the end, etc., etc. And I'm going to pick one out in particular, which was -- you put "WOW Marketing." WOW Marketing, that might be one of their trade names or something like that, but WOW Marketing is not WOW Marketing. I'm presuming that we're contracting with WOW --

MS. CARDENAS: WOW Factor is the parent company.

MR. SALVER: Right. WOW Factor something or other. I want to know exactly the corporation that we're contracting with because I like to go in there. Sometimes I check Sunbiz. I want to see who the owners are. That's kind of my own, like, auditing background type of thing.

And the way they're presented in the resolutions that are in our package, it doesn't say the full name of the corporation. You know, that's one thing.

Another thing is that in the background information, when you talk about, like, mini-solicitation and all that kind of stuff, typically, in my city, when we have a City Council meeting, the matrix or the results of the solicitation are presented in graphic form, like, on an Excel spreadsheet showing, these are the companies -- these are the five companies that responded to the solicitation, this is what they are offering, you know, analyzed kind of graphically.

I'd like to see that information because, you know, I've noticed that there are some kind of editorial comments that are made, like, these are -- this company is absolutely the best and best-fitted, best-suited to provide these services.

And I'm sure you know that and I'm sure it's true. But I'd like to see the way the solicitation process worked because I think it would add an element of transparency to the process.

So I certainly suggest for the Board meeting that the corporate names that we're contracting with be put into the resolution, and then possibly, at least for the committee -- on the committee level, that we get to see the work that staff did regarding the solicitations, the results of the solicitations and how each one was ranked and stuff like that.

MR. HOFFMAN: The summary of work?

MR. SALVER: In summarized form, not lengthy, in summarized form.

MR. HOFFMAN: You're welcome to come sit here.

MS. CARDENAS: I thought that in summarized form, that it's in the body of the resolution and the way it's written, Isaac. I'm not exactly clear on what you're missing.

But if you would like to have a table of what the names of the competing agencies within the mini-solicitation, we can do that.

MR. SALVER: Yeah, that's exactly what I was asking for and, I guess, the major components on which they were ranked.

MS. CARDENAS: So the mini-solicitation, just so you know, is really like a bid. It's not --

it's not, you know, because you have the vendor pool, which was done last year with, like, all the scoring and the ranking and so forth.

So the mini-solicitation is -- so, for example, on Madison South, it was a dollar bid, you know, and so they were the lowest bidder, which is what we said. So we can show you --

MR. SALVER: Yeah, I just want to see -- yeah, I want to see -- you said five people responded, we chose Madison South. You know, for the M Network, you know, we did the bid, two people responded and we chose the M Network, like that.

MR. HOFFMAN: I think in the instances you're mentioning, Isaac, the chart would say, this one would bid $2.00 per piece, this one bid $1.50, this one bid zero.

MR. SALVER: Right, yes.

MS. CARDENAS: Okay. Do you want them in the body of the resolution or would you like it in a separate document? We could put them all in one document.

MR. SALVER: No, I'd like it -- like here, this one is for the Creole Translation Services, okay? So I'd like to see who outbid for the Creole Translation Services. You know, the other one is for Armstrong for their consultancy service. I want to see who else bid for that. I'd just like to see who else bid.

MS. CARDENAS: And if they didn't bid, we'll put that they didn't bid. Because if you have, for example, five entities in the vendor pool, let's say, followed by selected in a particular area and five, which I could say, two bid and the other three declined, then we will know that.

MR. SALVER: Right, yes.

MR. HAJ: Isaac, if we may, because of the time constraint on Monday's Board meeting, could we put it on the chart instead of doing all the resos, changing all the resos?

MR. SALVER: Yeah, but the resos should be presented with my first suggestion, that we put the actual corporate name.

MR. HAJ: Yes.

MS. CARDENAS: So regarding the corporate name, I think the only one you're referencing is WOW Factor. And Claudia, do you know when -- because WOW Marketing is the name that is incorporated, and I believe that the billing for the next contract is going to go to WOW Marketing. Assuming that it is in place in Sunbiz on October 1, if not, we can just do WOW Factor?

MR. HOFFMAN: That's not going to be the

only one. And as for Madison South, even the first one we're talking about doesn't have a corporate name.

MS. CARDENAS: Is "M Network" not your corporate name?

MR. HOFFMAN: So we'll be supplementing for the Board resolutions.

MR. SALVER: And now that you mention that, when I looked under WOW Marketing, WOW Marketing was incorporated 03/12/17, which was, like, less than three months ago.

So, I mean, personally, I have a question as to why they had to launch a new corporation in March that all of a sudden, we're contracting with. What event took place in March that would preclude you from having -- you know, using your old corporation?

MR. HOFFMAN: All right. Let's take that up on that resolution.

MR. SALVER: You know, those are the types of questions that I'd like answered.

MS. CARDENAS: They're re-branding.

MR. HOFFMAN: Okay. Let's take it up on that specific resolution. So let's go to the first resolution. Resolution 2017-A, authorization to negotiate and execute a contract with ImaginArt Media Productions, an agency selected from the 2016-2019 vendor pool for community outreach and media buying targeting the Creole-speaking Haitian community in Miami-Dade County, the administration and oversight of the Children's Trust leased Yellow Box displays and English/Creole translation services, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in an amount not to exceed $156,215.00.

And I will note this is one where we should add the formal corporate name, whatever it is.

Do I hear a motion to that effect?

MR. SALVER: I'll move it.

MR. HOFFMAN: Second?

MR. HOPE: Second.

MR. HOFFMAN: Any discussion?

(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: The motion carries. Resolution 2017-B, authorization to negotiate and execute a second-year contract with Armstrong Creative Consulting, Inc., an agency selected from the 2016-2019 vendor pool for urban media buying and community outreach targeting the African-American faith-based community in Miami-Dade County, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in an amount not to exceed $163,785.00.

Do I have a motion to that effect?

MR. SALVER: I'll move it.

MR. HOPE: Second.

MR. HOFFMAN: Second, Hope. Any questions or discussion? Any recusals, by the way?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Any questions, discussion?

(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: The motion carries. Resolution 2017-C, authorization to negotiate and execute a second-year contract with Madison South, an agency selected from the 2016-2019 vendor pool for the purpose of graphic design services, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in an amount not to exceed $50,000.00.

I need a motion.

MR. HOPE: Motion, Steve.

MR. HOFFMAN: And a second?

MS. JACOBO: Second, Jacobo.

MR. HOFFMAN: Recusals, no.

MS. KOBRINSKI: Any recusals?

MR. HOFFMAN: Recusals, no. Discussion?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: All those in favor?

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

MR. SALVER: I think Ms. Armstrong is here, right? Can I ask one question. Is your office in Broward County?

MS. ARMSTRONG: No.

MR. SALVER: It's in Dade County?

MS. ARMSTRONG: I reside in Broward County. My office is at 157th Street N.W. 7th Avenue.

MR. SALVER: Okay, wonderful. I mean, I know I saw a Broward -- someone had a Broward address. That's another thing. I'd like to see if there's any way we can direct all our contracts to Dade County businesses. That should have higher priority, I think, in my opinion.

MR. HOFFMAN: Madison South in the resolution we just adopted, we should chase down the formal corporate name.

MS. CARDENAS: LLC.

MS. KOBRINSKI: Just for the record, are there any opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Resolution 2017-D, authorization to negotiate and execute a second-year contract with the M Network, an agency selected from the 2016-2019 vendor pool for creative advertising production services, offsite Miami Heart Gallery management and select public relations projects, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in an amount not to exceed $276,000.00.

Do I have a motion to that effect?

MR. HINCAPIE: Move it.

MR. HOFFMAN: Second?

MR. HOPE: Second, Steve.

MR. HOFFMAN: Any recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Discussion, 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: The motion carries. I'm glad everybody read these so we can get this done efficiently. And I know you read them, Isaac.

Next resolution is 2017-E, authorization to negotiate and execute a second-year contract with WOW Marketing, an agency selected from the 2016-2019 vendor pool for media buying services and market research, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in an amount not to exceed $1,031,000.00, inclusive of $842,350.00 to purchase media and $188,650.00 in agency fees and market research.

Is there a motion to that effect?

MR. SALVER: I'll move it for discussion and then I have a question.

MR. HOFFMAN: Second?

MS. JACOBO: Second, Jacobo.

MR. HOFFMAN: Okay. Any recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Isaac.

MR. SALVER: So can you give us a little -- give me a little bit of background as to why you started a new company in March of 2017.

MS. SARABIA: It's really just a re-branding. We've been around for 12 years as WOW Factor Marketing. We're just re-branding a section of our building and re-branding -- the opportunity to re-brand the company as WOW Marketing.

But it's the same. It's the same essence of the company. We're not changing what we do or in any way changing the company.

MS. CARDENAS: So as it was explained to me by the founder, Jose Gant, who is not here, is that when they started the company 12 years ago, most people thought it was an event planning company.

And they have grown so much more into marketing and media buying over the course of these last 12 years, that they felt that their name, WOW Factor, did not take into consideration the expansion in media buying and advertising.

And so by re-naming themselves, WOW Marketing, that it was going to reflect what they really are today. And so it's really all about -- it's all in a name.

But the company remains the same. The staff is the same. I mean, the staff has ballooned but that's really the reason. It's no different than when some of our providers in the social services field that have changed their name because they feel that it more reflects what they're doing.

MR. HOPE: Is it a change of name or a new corporation?

MR. SALVER: Well, I'll answer that. It's a brand-new corporation. The ownership, I think, remained the same. It was Jose and Heidi.

MR. HOFFMAN: Well, hold on. We ask that question, though, because ownership is not reflected in Secretary of State's records. It's just who the president is, who the directors are.

Is this owned by the agency -- by the company that's in the -- through the approved vendor pool?

MS. SARABIA: WOW Factor Marketing went through the process of the pool because the re-branding hadn't happened yet.

MR. HOFFMAN: I know, but is this owned by WOW Factor Marketing?

MS. SARABIA: Yes, it is.

MR. HOFFMAN: Okay. That same -- by that corporation or by the same owners?

MS. SARABIA: I'm not sure how to answer that question.

MR. HOFFMAN: Is this entity in our approved vendor pool?

MR. HOPE: Exactly, because if it's a new corporation and the vendor pool was approved in 2016, then if they're not -- if it's a new corporation, how would it be part of the approved vendor pool?

MS. CARDENAS: So you know what, we can easily just make this WOW Factor if it's going to be a problem. I am quite sure that Jose Gant is not going to care which of his entities this contract is with.

So since WOW Factor went through the vendor pool, let's just leave it like that.

MR. HOFFMAN: My question is, if it is a wholly-owned subsidiary, I don't think it would be the same issue as a separate company owned by even the same owners, doesn't necessarily qualify for legal purposes if somebody is in the vendor pool. I think that's something we ought to clarify.

MS. SARABIA: I can come back to the group with the answer. But we really just changed the name.

MR. HINCAPIE: Nothing has changed. It's the same people doing the same work. It's just that they changed their name, whatever method they used, but it's the same people.

MR. HOPE: Separate entity. You have two different federal I.D. numbers. So if the vendor pool approves one particular corporation, legally, it's not the same organization.

MR. HOFFMAN: I don't think -- and again, I would defer to the judgment of management who was solicited within the pool and who was approved. So the people in the organization were approved. It sounds like if the corporate entity hasn't necessarily qualified is something we can say being part of the vendor pool.

MR. SALVER: That is correct.

MS. KOBRINSKI: You can just convert it back to WOW Factor. It's really not in any way an inconvenience.

MS. CARDENAS: WOW Factor is in existence and my understanding is that it's not being eliminated.

MS. JACOBO: It sounds like we need to table this until we resolve any issues.

MR. SALVER: Right, exactly, complex questions, yeah.

MR. HINCAPIE: What if you change the name to WOW Factor?

MS. CARDENAS: That's what I was just saying, let's just change the name on the resolution to WOW Factor.

MS. JACOBO: But, I mean, we're kind of

doing this on faith because --

MR. SALVER: Well, I think we need to request feedback from the attorney, like, what do we do in this case. I mean, the representative from WOW Marketing is saying, well, she's got to get back to us on certain issues regarding the corporate structure, etc., etc.

MS. KOBRINSKI: Yeah, I mean, I think if WOW Factor is still in existence and that's the company that went through the vendor pool and was approved, and now it's WOW Marketing, and we're suggesting to contract with WOW Marketing and they're two different companies, then I think we need to revisit that.

MR. HOFFMAN: I think the -- I believe the exception, again, it may be something that you could weigh in on, but the exception would be that it's a wholly-owned subsidiary operating under WOW Factor.

MR. SALVER: I mean, I looked at Sunbiz.

MS. KOBRINSKI: I can look into it. But, I mean, I would recommend that we research it and get more clarification.

MS. CARDENAS: In advance of the Board meeting on Monday, would it please the committee if we clarify this today if it is a wholly-owned subsidiary.

I would wait. From a technical standpoint, if WOW Factor went through the vendor pool, and if we change this resolution to WOW Factor for Monday's meeting, would that satisfy everyone?

MR. HINCAPIE: Did we award the contract to WOW Factor?

MS. CARDENAS: Last year, yes, we did. And this year, we were simply going to move it to WOW Marketing --

MR. HINCAPIE: Because they changed their name?

MS. CARDENAS: Because -- no, it doesn't -- it's not going to change the work in any way. So we can just as easily do it with WOW Factor. It's not going to change the work and it satisfies all of your technical issues.

MS. KOBRINSKI: Is that correct?

MS. SARABIA: It's the same organization. Just the name changed.

MS. KOBRINSKI: MS. CARDENAS: WOW Factor is not going away?

MS. SARABIA: Right.

MS. KOBRINSKI: So you can move to amend the resolution to WOW Factor.

MR. HINCAPIE: I move to amend the resolution to WOW Factor.

MR. SALVER: I think who made the motion originally, so I guess --

MS. JEANTY: It was you.

MR. SALVER: Okay. So I withdraw my motion -- original motion so I can open up the floor to a new motion.

MR. HINCAPIE: So I move to change WOW Marketing to WOW Factor.

MR. HOFFMAN: Approving the resolution with the exception of the contracting name would be WOW Factor.

MS. JACOBO: So I'll second for discussion. You know, if we want to wait until Monday, I don't necessarily think we have to vote on it today. I would rather not change the resolution because I understand there are two different tax I.D. numbers.

I'd like somebody to research that and make sure that before we put a resolution before the full Board with an amendment and we don't, you know, quite have it exactly right, you know, that might be the right thing to do.

MR. SALVER: Right. We might be overreaching.

MS. JACOBO: We can do it for Monday. My suggestion would be, let's do it for Monday. Let's not vote on it today and we can bring it -- can we do that? Can we just bring it to the full Board without having -- we cannot do that?

MS. KOBRINSKI: We could do an Executive Committee.

MR. HOPE: This contract starts October 1. So is there any reason to rush it if we don't have all the information? Can it be presented at the next Finance Committee meeting?

MS. KOBRINSKI: You're not meeting in August, though, right?

MR. HOPE: Would that create a new challenge for the communication department?

MS. CARDENAS: We traditionally do not put resolutions at the September Board meeting because it's the same Board meeting with TRIM. And so traditionally, we try not to mix these things.

So that would mean pushing it all the way to October, which would delay -- we're not going to have a media buy in October until we have the ability to start our research. So it would create a little bit of a delay. I don't think it would be too traumatic.

MR. HOFFMAN: We usually don't bring them, Emily, but we have had one resolution at times.

MR. SALVER: We've done that before. We've done that before. We've convened the meeting before the budget meeting since everybody's there. You'll have the biggest attendance that you'll have all year there. So, I mean, a one-item meeting is five minutes maximum. So I think we could do it during September.

MS. JACOBO: Yes, I would prefer that.

MR. SALVER: And this way, the staff and legal department can hash out the contract and we'll get it approved like that.

MS. KOBRINSKI: So does someone want to move to defer the item until the next committee meeting?

MR. HOFFMAN: The motion was never seconded.

MS. JACOBO: I seconded it. All right. So I'll move to defer it to our next committee meeting.

MR. SALVER: Well, our next Board meeting, actually, I think.

MS. JACOBO: Well, no, because we have to approve it -- we have to approve it at the next Finance Committee, right?

MR. SALVER: So when is our next Finance Committee meeting?

MR. HAJ: October.

MS. JACOBO: August 31st?

MR. HAJ: Well, we may be cancelling that and it will be a minor Board retreat. We'll have a quick Programs and Finance Committee meeting, so we could table it to August.

MR. HOFFMAN: Isn't there a Board meeting in August?

MR. HAJ: No.

MS. KOBRINSKI: Is there a second?

MR. HOPE: Second, Steve Hope.

MR. HOFFMAN: All those in favor?

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

MR. HOFFMAN: Opposed?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Okay. Motion carries. Resolution 2017-F, authorization to expend monies to advertise the Children's Trust funding announcements, activities, initiatives, events and programs with the Miami Herald Publishing Co., for a term of 12 months commencing on October 1, 2017 and ending on September 30, 2018, in an amount not to exceed $90,000.00.

Do I hear a motion to that effect?

MR. HOPE: Motion, Steve.

MR. SALVER: I'll second it for discussion.

MR. HOFFMAN: Second, Salver. Recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Okay. Isaac?

MR. SALVER: Where are we spending this $90,000.00 or what time of the year or for what purpose is this $90,000.00 being spent on Miami Herald?

MS. CARDENAS: So just so you know, this is about a $40,000.00 reduction over last year's expenditures. We spend it to, for example, advertise our fund solicitations, so, of course, we would want to have several of them in this next fiscal year when we start advertising for the next three-year cycle.

So we advertise on fund solicitations. We advertise -- we usually do a package of advertising around the Family Expo with multiple advertisements and a special insert on weekend sections.

We also publish our annual report at the end of the calendar year. And the last few years, we've done an insert in the Herald regarding the annual report.

As we have -- as the world becomes more digital, a lot of this Miami Herald budget is in the digital edition as well as in their website. So don't think this is all print. Much of it is, in fact, digital.

And the annual report, for example, when we published it in January, it was also -- there was a full-page ad in the digital edition guiding people to download the annual report.

And for the Family Expo this year, the four-page insert that's going into the print edition will also be in the digital edition at no extra charge, because that's something that I insisted upon since their readership is shifting over to their digital edition in large numbers. So much of this is digital and not print.

MR. HOFFMAN: 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: The motion carries. Resolution 2017-G, authorization to issue monthly payments pursuant to service order agreement with Rex 3 to print and prepare for distribution the Children's Trust tri-lingual monthly parenting newsletter, for a term of 12 months commencing on October 1, 2017 and ending September 30, 2018, in an amount not to exceed $56,000.00. Do I hear a motion to that effect?

MR. HOPE: Motion for discussion.

MR. HINCAPIE: Second.

MR. HOFFMAN: Any recusals?

(NO VERBAL RESPONSE.)

MR. HOPE: Just a quick question. This one is described as a service order agreement versus the others are contracts. What is the difference?

MS. CARDENAS: So for certain items, we don't really need a full four-page contract to do a job, so it's basically a purchase order and then they invoice after the job is done.

And we open a purchase order for the year and then they invoice for that month's work and then we pay. When the job is complete, they send us an invoice and we pay it.

MR. HOFFMAN: Is it like an open order to buy?

MS. CARDENAS: It's a purchase order.

MR. HOPE: Because I know -- I think, about a year ago, there was a question when there was a transition about using purchase orders. I don't know if anyone remembers that, when I first came on-board.

I think it was two contracts that had purchase orders and there was a question as to why they were -- Isaac, do you remember that by chance?

MR. SALVER: I'm sorry?

MR. HOPE: There was a question about

purchase orders that were in place versus contracts. And I think there was a change to move some of the items from PO's into formal contracts.

MR. SALVER: I remember the discussion.

MR. HOPE: So I was just -- the question was, why a service order versus a contract? But I don't have a problem, just for my understanding, if that was the case as far as the previous discussion about two years ago.

MS. CARDENAS: Yeah, this is a very basic fee for service thing. It's like if we were buying $50,000.00 worth of pens, would we do a contract.

MR. HOFFMAN: So you don't order a purchase order for $56,000.00. You just have the authority here to apply for $56,000.00?

MS. CARDENAS: Correct.

MR. HOFFMAN: And you can do it on a job by job basis?

MS. CARDENAS: Every month, correct.

MR. SALVER: Emily, this is another one -- is there someone here from Rex 3?

MS. CARDENAS: No.

MR. SALVER: Okay. This was another vendor that I looked up on Sunbiz and they didn't appear on Sunbiz.

MS. CARDENAS: Let me get their corporate name for you. Rex 3 has been doing business --

MR. SALVER: I know. It sounds familiar.

MS. CARDENAS: -- as long as I can remember in this town.

MR. SALVER: Right. Well, I mean, how long have we been contracting with them?

MS. CARDENAS: So we don't contract with Rex 3. We do business with Rex 3. As a printer, we've been printing work with them and another dozen printers, by the way. They're not the only printer we use.

But, I mean, ever since the Children's Trust has been in existence, we have used Rex 3 for one thing or another.

MR. SALVER: Right.

MR. HOFFMAN: Just to clarify, Rex 3 is the name currently in our system as an approved vendor, correct?

MS. CARDENAS: Correct.

MR. SALVER: Right. Yeah, I couldn't -- for informational purposes only, I couldn't find them on Sunbiz.

MS. CARDENAS: They happen to be located in Broward, by the way.

MR. SALVER: But Sunbiz is statewide.

MS. CARDENAS: No, no, no, exactly. No, they've been around and they are registered and we have a W-9 in the system for them, and they have been -- I mean, they're real.

MR. SALVER: I'd just like to see more, I mean, I couldn't find them in Sunbiz. I looked for their corporate name and it didn't come out.

MS. CARDENAS: We'll call them. No, the Rex 3, I'm sorry, is not in the vendor pool. We don't -- we did not solicit printers in the vendor pool, which is why they're not referenced -- in the resolution, it's not referenced as a vendor pool member.

There are so many printers in this County that we do not -- and we rebid printing work so, so, so frequently, that we do not -- we do not ask printers to qualify for the vendor pool. There are so many. I am rebidding print work every month.

MR. SALVER: So now I'm a little bit confused. So how did we arrive -- how did we determine that these guys were the best guys for the job?

MS. CARDENAS: We did bids. We did bids. And I'm happy -- and I'm happy -- and we actually mentioned, I think, the other companies in here.

MR. HINCAPIE: Print Dynamics and Print Farm.

MS. CARDENAS: Correct. We got -- we got bids. We got bids, just like we bid if you print a brochure, just like we bid if we print Champions for Children invitations, just like we bid for every print job, we bid it. I mean, print companies are a dime a dozen.

MR. SALVER: I hear you. Just for my information, Print Dynamics and Print Farm, are they in Dade County?

MS. CARDENAS: I'm not 100 percent sure. I couldn't tell you that.

MR. SALVER: How much of a difference -- how much of a price difference was there?

MS. CARDENAS: In this case, they were very -- they were competitive. But in this case, the reason -- they were all very competitive, very close. In this case, the reason why Rex 3 was chosen is because -- and by the way, I've probably been through about four or five print companies on this. This is the product right here.

And the complexity with this job is not the printing in and of itself. It's the packaging, fulfillment and distribution because most print jobs are -- whether you print 10 or you print a million, they usually get delivered to one location.

This does not. We have a distribution list of, like, 200 locations in Miami-Dade County that get this. And they get some of them, a certain amount in Spanish and English, a certain amount in English and Creole, and so it takes organization to package the language that you want in boxes to the right companies, the 200, and labeling them and so forth.

And before I learned my lesson, when I was only bidding price, what happened was, people were not getting the right quantities that they requested, and I would get complaints and so forth and so on.

So it's really in the fulfillment and distribution that makes this a little more than a typical job. And so when we bid out, we asked for references. We asked for, you know, what other companies do you do similar work with, with multiple distribution locations and so forth and so on.

And the other companies -- the other two companies, they just -- they were lazy, to be frank. They just sent us the price, did not send me the references that I requested, did not send me -- tell me how they did similar work for others, and so I discounted them because if the prices are very, very close and one is able to prove to me that they, A) that they've been doing this work, that they do this work for others, this work for other organizations as well, and the other two didn't even bother to give me the information I needed to make the choice, I'm going to give it to the company that responded correctly.

MR. SALVER: Are you the only one that makes the decisions, like, are you a committee of one?

MS. CARDENAS: Erica, who is my communications assistant, also is very involved in receiving the bids and makes them with me, so it's a committee of two.

MR. SALVER: All right. It's been moved and seconded?

MR. HOFFMAN: Yes.

MR. SALVER: The only thing I can add is, let's make sure, once we determine the corporate entity that we're dealing with, you know, what the full name is, etc., let's make sure that they're --

MS. JACOBO: We can have that --

MR. HOFFMAN: Yeah, but I hate to load up the future docket. I think that probably once -- since we can't verify -- this is a "doing business" name, but even "doing business" names typically show up as a Secretary of State search?

MR. SALVER: Right. I don't know if I looked at the d/b/a.

MR. HOFFMAN: So I think we ought to have the formal entity that we're contracting with, and particularly since it's not --

MR. KIRTLAND: "3" is spelled out.

MR. HINCAPIE: But I would agree with Isaac, that we should be contracting with Miami-Dade vendors.

MR. SALVER: Yeah, obviously, going forward.

MS. CARDENAS: So according to -- staff has brought something to me. The corporate name is called "Rex 37, Inc.", apparently. But what's interesting about that is if you do business with them, all the e-mail addresses from the company is "so-and-so at Rex 3." I mean, that's how I know them, and this is how we've been doing business with them for many, many years.

MR. HOFFMAN: What is the entity to whom we're writing checks?

MR. SALVER: All right. So what now? Is it Rex 37? Is it Rex 3?

MS. KOBRINSKI: Was it a solicitation?

MS. CARDENAS: It's a bid. It was a bid. In this case, it was a bid. Yeah, it was a bid. It was a material bid and we asked for stuff, your references, the narrative on all the businesses, yeah, it was Rex 3.

MR. HOFFMAN: So Rex 37, then, is an

existing vendor in our system?

MR. KIRTLAND: I'd have to look at this. I thought I found a Rex 3 exactly stated on Sunbiz.

MS. CARDENAS: Maybe this was another company called "Rex 37."

MR. HOFFMAN: I think, again, for next year's solicitations, I hate to load up the resolutions for that meeting, but I think we need to clear this up.

MS. KOBRINSKI: Do you want to withdraw your motion?

MR. HOPE: Yeah, I'll withdraw the motion.

MR. SALVER: And we'll just defer it to our next --

MS. KOBRINSKI: You have to make a motion to do it.

MR. SALVER: I'll make a motion that we defer the item until our next budget meeting.

MS. JACOBO: I'll second it.

MR. HOFFMAN: All those in favor?

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

MR. HOFFMAN: Okay. It passes. Resolution 2017-H, authorization to issue payment pursuant to a service order agreement with Actors Playhouse at the Miracle Theater, Inc., for co-production and presenting sponsorships of the Young Talent Big Dreams talent search, for a term of 12 months commencing October 1, 2017 and ending on September 30, 2018, in an amount not to exceed $50,000.00.

MR. HINCAPIE: I'll move it.

MR. SALVER: Second.

MS. JEANTY: Who seconded?

MR. HINCAPIE: Hincapie.

MR. HOFFMAN: Recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: 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: The motion carries. Resolution 2017-I, authorization to negotiate and execute a contract with Branger Briz, for Phase-3 of the Children's Trust digital footprint re-design, as well as hosting and maintaining services, for a term of 12 months commencing October 1, 2017 and ending September 30, 2018, in a total amount not to exceed $162,200.00.

Do I have a motion to that effect?

MR. HINCAPIE: Move it.

MR. HOPE: Second, Steve.

MR. HOFFMAN: Recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: I know we have somebody from Branger Briz here. Your formal corporate name?

MR. BRANGER: Yes, well, it's actually Branger + Briz, Inc. Branger_Briz is our --

MR. SALVER: What is your home address, the address of your company?

MR. BRANGER: 261 N.E. 1st Street, downtown Miami.

MR. HOFFMAN: Any other questions or comments?

MR. SALVER: If I could, Ken. Again, this is Stephanie's department.

MS. SYLVESTRE: It's a collaboration between myself and Emily.

MS. CARDENAS: We have three departments coming in on this one.

MR. SALVER: So is this part of the -- is it part of the IT or is this communications or is it a hybrid?

MS. SYLVESTRE: So our technology way forward is an umbrella. And we are doing a number of technology solutions that impact a number of different departments.

In fact, our new technology way forward de-emphasizes the IT department and emphasizes the business unit that would most benefit from the technology solutions.

So the digital footprint is a collaboration between Emily and I, in terms of bringing on-board a new website, making sure that it's integrated with our Trust Central solution, and focused on ease of use for users and streamlining and enhancing the user experience.

This Phase-3 is augmented with an app, actually, that allows us to interact with our community and with our provider base. And depending on the log-on that you use will determine what functionality you have access to within the app, so that where the research component in, because now we will be able to push surveys directly to the participants in the programs, something that we don't have the ability to do today in any meaningful and streamlined way.

We will be able to have participants search our searchable program directly and register for all of our programs on-line. So now that people, real-time, will know whether or not there is a space in the program before they sign up for it, will allow us to communicate directly with our providers, a large number of our providers have millenniums, that are much more into apps and SmartPhones, so now we can push out communications to them.

And we'll be able to allow our providers to do reporting of participant attendance in a more simplified and streamlined way so that we can get data real-time as opposed to today where it's 15 days after the month ends.

MR. SALVER: Got you. So I guess the simple question -- my question simplified would be, whose budget does this affect, IT or communications?

MS. CARDENAS: Three ways.

MS. SYLVESTRE: IT, research and communications, all three of us.

MR. SALVER: So do we know what -- what's your percentage? What's the IT portion?

MS. SYLVESTRE: IT is, I believe, forty two thousand. Eighty thousand is coming from research and the rest is coming from communications.

MS. CARDENAS: And forty thousand is coming from communications.

MR. HOFFMAN: 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: The motion carries.

MR. SALVER: And when it's presented to the Board, the corporate name should be correct.

MR. HOFFMAN: Resolution 2017-J, authorization to renew the Children's Trust Data Center Services with Quality Investment Properties Miami, LLC (QTS), for a term of seven months, in a total amount not to exceed $62,500.00, commencing August 1, 2017 and ending February 28, 2018.

Do I have a motion to that effect?

MR. SALVER: I'll move it.

MR. HINCAPIE: Second.

MR. HOFFMAN: Recusals?

(NO VERBAL RESPONSE.)

MR. HOFFMAN: Discussion, 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: The motion carries. Jim, be brief.

MR. HAJ: Mr. Chair, we have the CO authorization PowerPoint that we want to review, that we have to review it with you and then we have to talk to Isaac and maybe some other members that will go individually.

I'm not sure if you still want to -- I want to be respectful of people's time. We're half an hour over. Do you want to review it now or do you want to table it? Do you want us to call everybody individually and go through it?

MR. HOFFMAN: I will leave it to the committee members. I mean, certainly, we've taken more than our budgeted time today, but I'm happy to do another few minutes.

MR. SALVER: I know after our conversation, did you want to put maybe a little bit more into this?

MR. HAJ: We did.

MR. SALVER: You did already?

MR. HAJ: Yes.

MR. SALVER: Okay. I mean, fortunately, I mean, I could stay longer. I don't have a time crunch, me, personally. I don't know about anyone else.

MS. JACOBO: I have a little bit of a time constraint but that's okay. Go ahead. I can stay as long as I can.

MR. HAJ: Okay. We'll try to make this brief.

(Off the record.)

MR. KIRTLAND: I brought a few notes with me. I don't typically like to read off notes but we had a lot of talking points today so hopefully, I'll stay on-track.

Also another wish of the committee, as of a few weeks ago, we wanted to briefly go over a product of this meeting and I know a report that is commonly included on a quarterly basis is the CEO spending approval listing of spending activity up to $25,000.00.

So we wanted to spend a little bit of time providing the committee members with some direction as to the guidance that we follow as the Trust and the items that we include in that report, as well as some of the internal processes that produce the report.

(Off the record.)

MR. KIRTLAND: So the Board Resolution 2007-60, obviously passed and approved in the year 2007, authorized the CEO's spending authority to spend up to but less than $25,000.00.

So one of the things that exist within this spending approval limitation is that it's limited to $100,000.00 per month on an annual basis of 1.2 million dollars of approved CEO spending authority.

That resolution provided us with some guidance as to the types of spending that would be included in this report. We are going to briefly discuss some of the types of spending a little bit later in this presentation, but I wanted to also include the bullets there to reference later.

If you look down here, we've produced this flow chart maybe to create a visual. I know a lot of us now are visual people in this day and age. So let me try to reconcile the two end points here.

On the left side of this flow chart is showing the resolution from 2007, which establishes, again, our authoritative guidance. And what I've tried to represent through the diagram here in the process is that exists all the way to producing the final output which is the quarterly spending report that's included here at the Finance Committee.

So really, we have two concurrent processes. I have defined it as an internal process and external process. Essentially, any unsolicited fund requests that come to the Trust, whether it be orientation or programmatic support, is now vetted through an external, on-line funding application process.

So before internally routed and requested of the Children's Trust, we funnel these requests through the application process to be reviewed or approved --

MR. SALVER: Bill, since you are pausing, if I can interrupt you, what would be, like, the genesis of those on-line funding requests? It's not any type of solicitation or anything like that?

MR. KIRTLAND: No, it would be -- right. Essentially, the type of spending we're describing here in this presentation is outside of our regular operational administration type of spending.

So it would really be the request of the community. And maybe when we get to that type of spending, maybe you want to chime in on it.

But we do have requests from the organizations in the community made to the Trust directly and then this vetting process allows us to learn a little bit more about the organization, what the goals or that the requests that are being made are, and essentially properly vetting them to make sure it's a legitimate organization making the request and that the request that they're making falls in line with our guidelines internally.

So that's what this process, our on-line application process and our internal routing process is establishing. Once an application has been approved internally, it's used as an attachment to an internally routed document such as a services and funding memo request.

We use this document before procuring the funds to issue to really all types of spending. But this type of spending is also routed through this memo. So this is the supporting documentation used when routing an internal memo to be approved by the various departments, the finance department and the CEO, before an expense is actually -- before it is actually expended, allocated to this new vendor.

So essentially, once it's attached to the memo, it's reviewed, and then upon final approval is when you would see the spending authority or the spending amount show up in your quarterly report.

So does anybody have any questions about the flow of activities?

MR. HOPE: In terms of authorization, what is the protocol to prepare -- let's assume I authorized $25,000.00 to Company "C" now and three months later, I authorize $25,000.00 to Company "C". So it's within the twenty five thousand --

MR. KIRTLAND: Individual transactions.

Right, now we are -- right. Internally within our systems, we track our spending with those thresholds, the $25,000.00 threshold on a vendor basis.

So often, right, we're procuring different services and our departments are managing their budget based on services. However, they also have to take into consideration whether or not they've dealt with a particular vendor within that $25,000.00 threshold. And if it's exceeded, then it would have to return to the committee or Board approval for spending over that threshold.

MR. ALI: Steve, after it's routed, I keep track of it on a spreadsheet and I double-check to make sure nothing was received before.

MR. HAJ: And if it's somebody in our portfolio already, they do not receive funding because they already received the twenty five thousand.

MR. KIRTLAND: But essentially, I wanted to point something or bring your attention to the application process because this is now a function that we're utilizing.

We've also had an internal routing memo with documentation that supports the type of spending. But now within all of our CEO spending authority type of thing, we utilize the application process. So we'll go to the next slide.

The next slide really just reiterates some of the details that are provided in the flow chart, what the on-line application process is establishing for the Trust and what the services and request memos are establishing.

And I'm reiterating the thresholds that exists that are provided by the resolution and how it's routed through the organization through the internal routing process.

A part of what you were asking about, Steve, is that we're looking at whether or not certain things have taken place before approving any type of spending, such as the proper managerial sign-offs, what type of procurement method was used to prepare this item, the vendor selection process and whether or not there's the availability within the budget.

But we're vetting the expense through the internal routine process and our on-line application helps support any unsolicited fund requests.

And again, the last note is that in any of those requests, the guidelines -- the budget guidelines that we apply to all of our provider services are applied to any of these type of spending as well.

So this is what we've defined and believe that the resolution is requiring of us to report on in the quarterly CEO spending report. Primarily, our unsolicited requests come from three buckets types of spending.

We see it vetted and pass through our communications department, and I would also lump in both maybe programmatic requests that are managed by our community engagement team.

And within the community engagement team, we see two types of requests of unsolicited funds. They're either collaboration activities, community action plans or sometimes there are requests for direct service supports. Maybe, Sam, there's a few more things to speak to on these types of matters.

MR. MCKINNON: Sure. Sam McKinnon, community engagement department. This is something that the Children's Trust has done for a few years in terms of the programmatic side.

Historically, it was done through web grants and we're now moving to the new format of Webauthor. Primarily, these are services for populations that traditionally do not qualify for standard Trust services, that are either migrant population or homeless population, which means they're not eligible to be there for a year, so these are kids who are transitioning from one community to another, going to another, or there's an area that we realize we don't have a broad footprint in certain communities based on qualified vendors or providers to apply for services in those areas.

So we look to see if, based on services for the age group, if there's services even within a two-mile or five-mile radius, or we look at two miles for elementary children and the realistic ability for them to get to those services or not, or for older children, a five-mile radius.

So we look at those certain things. These are areas that have been brought to our attention by the community and our relationship that there's a need and we try to invest on a temporary basis.

MR. SALVER: So is that considered in the programmatic bucket?

MR. MCKINNON: Yes, programmatic.

MR. KIRTLAND: Another significant source -- not a significant but another source of this type of spending activity also lives within our communication budget, any requests for sponsorship activities. Emily, I don't know if you want to say anything about that.

MS. CARDENAS: Yeah, public awareness, community outreach events, sponsorships. So, you know, we do not entertain when somebody sends us a letter and says, Will you sponsor my event, give me $5,000.00, we don't.

A lot of other people process sponsorships that way. We do not. We make them go through a grant application -- a sponsorship grant application. It could be for a one-day event, like a festival or a fair, a health fair or whatever it might be, something that might be in three parts or whatever it is.

But they have to go through an application process and answer questions and submit a budget that is then reviewed, and we put a cap on it of $10,000.00. And anything that we want to entertain that is above $10,000.00, it comes to this committee for review. And we've only done that twice in my memory in the last six years.

MR. KIRTLAND: And that's another point that I also wanted to bring up, is that even though we do live within the guidelines provided by Resolution 2007-60, internal policy, we've developed a few more standards to properly vet these types of requests that you can see listed, such as how many times an award might be offered or an additional threshold for those types of considerations.

And again, all these types of spending activities are subject to a rolling application process that's reviewed by staff and scored.

Again, just to reiterate, our spending authority report does not include within it typical day to day operational-type expenditures that we've included as a part of our budgeting process. It's primarily comprised of all unsolicited requests made to the Trust.

Are there any questions?

(NO VERBAL RESPONSE.)

MR. KIRTLAND: All right. Thank you all very much.

MR. SALVER: All right. So move to adjourn.

MR. HOFFMAN: Motion to adjourn.

(Whereupon, at 11:48 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 104, 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 9th day of August, 2017.

____
Fernando Subirats
Court Reporter