

Jackson County Community Children's Services Fund Board Meeting Minutes

**Thursday, July 5, 2018, 2:30 p.m.
Mid-America Regional Council Office
600 Broadway Boulevard, Kansas City, Missouri**

Board Members Present:

Rhonda Holman, Chair
Marietta Parker, J.D.
Ann Mesle, J.D.
Jovanna Rohs, Ph.D.
Rachelle Styles
Rob Whitten, Executive Director

Board Members Absent:

Luis Cordoba, Ed.D.
Robert Bartman, Ed.D.
Brian Kaberline

Guests, Affiliations:

Raisa Akram, Greater Kansas City Community Foundation
Amanda Birger, Jackson County CASA
Claire Terrebonne, Jackson County CASA
Ashley Burke, Jackson County Executive Office
Cassie Sipos, Metro Lutheran Ministry
Sarah Forgey, Greater Kansas City Community Foundation
Chris Potthast, The Family Conservancy
Barb Friedman, Community Volunteer
Carol Grimaldi, Cornerstones of Care
Nancy Atwater, Preferred Family Healthcare

Ms. Holman called the meeting to order at 2:32 p.m. and welcomed everyone in attendance. Roll call of the board was taken and guests were invited to introduce themselves.

Dir. Holman asked for a review of the meeting agenda and suggested that the approval of the minutes of the June 7, 2018 meeting and the Financial Report be delayed until all expected directors arrived and a quorum would be present. Dir. Rohs requested that the Children's Services Contracting item also be delayed.

Executive Director's Report

Mr. Whitten announced that Sue Richter would be joining the Fund as Operations Manager on July 24th on a part-time basis, working 16-24 hours per week as needed.

Mr. Whitten updated the board on activities from June. The staff phone system was set up so that each staff member will have a cell phone rather than a desk phone, and each phone would have its own direct line and a generic number that will ring simultaneously to every staff member's

phone. The email server was set up as jacokids.org, and the website URLjacksoncountykids.org has been reserved, though it is not yet active.

Mr. Whitten shared that he is working to revise the budget that Treasurer Styles developed earlier in the year, and that a Missouri Tax ID number has been acquired. He also took out a small worker's compensation policy. He has been working with Director Styles to set up a General Ledger, and that they have acquired QuickBooks Online for accounting software. Security features on the existing Commerce account will not allow access to QuickBooks and the Fund will need to open a second small business account to connect to the software.

Since the June board meeting he met individually with the members of the board that he had not met with previously. He also met with First Call about their software for tracking outcomes. Mr. Whitten had several half-day meetings with the Executives at other Children Services Funds, including Boone County, St. Louis City Mental Health Board, St. Charles County, and St. Louis County to discuss their operations and procedures.

He reported further that he is reviewing possible changes for the upcoming children's services RFP. He plans to schedule stakeholder meetings or a survey of current contractors to get input from potential applicants. Staffing details are being finalized to present to the board. A personnel handbook is under development, and an RFP for logo and branding guidance is being prepared.

Mr. Whitten shared that the 2018 Kids Count Data Book was released, and information has been available at mokidscount.org. Out of 114 counties in Missouri, Jackson ranked 105th. Dir. Rohs noted that the metrics have changed since previous data was reported, making apples-to-apples comparisons with prior reports unwise. However, the ranking for Jackson County is still low, regardless of the methodologies used.

Review and Approval of Minutes from the June 7, 2018 Meeting

When a quorum was present, Dir. Holman asked the board to review the minutes from the June 7, 2018 meeting which were provided to the board prior to the meeting, noting that titling for a board member would change in the minutes of future meetings. Following a motion by Dir. Rohs and a second by Dir. Styles, the minutes were approved with one abstention.

Financial Report

Dir. Styles reported that May tax receipts arrived on June 8th, and they were \$1,212,060.45. Although QuickBooks will not connect to the existing Commerce account, she was able to get the transaction detail from the account and upload it to QuickBooks. Payroll processing was set up but cannot be run through QuickBooks until the small business account is in place. June Payroll was calculated using QuickBooks and paid to the E.D. through a manually prepared check.

Mr. Whitten presented a short-term investment recommendation from Commerce Bank Investments staff that aligns with the board's desire to optimize return on idle funds while minimizing investment risks and maintaining adequate access to funds. In late June, the account balance was just over \$13,000,000, with a liability of \$5,400,000 from contract awards made

earlier in the year. Operating costs will not exceed \$200,000 for the remainder of the year, resulting in approximately \$7.6 million that is not yet allocated for a specific purpose.

The investment recommendations call for investing \$7,000,000 in collateralized CDs that can be liquidated early without penalty and retention of any interest earned. Two options were offered. Mr. Whitten recommended, and the board agreed, to adopt the option that generated about \$28,000 more interest. \$2,000,000 will be for 9 months at 1.81% to yield about \$27,000, and the remaining \$5,000,000 will be invested for 12 months at 1.92% to yield roughly \$96,000. Mr. Whitten reminded the board that tax receipts will continue to be paid monthly into the main account and provide readily available cash to meet the Fund's obligations. Anything in excess of \$250,000 in the main account will continue to be swept daily into overnight collateralized investments.

Mr. Whitten expressed his expectation that spending trends would be apparent as more data becomes available in the future, and that information will inform the board about what constitutes an adequate reserve while ensuring sufficient funds for each round of contract awards.

Mr. Whitten presented a draft Financial and Control Policy for review and approval. The policy gives the Executive Director the authority to transact Fund business within and according to board-approved guidelines. The policy will be required when filing a 990. Dir. Styles expressed support for the draft policy and reminded the board that it can be revised later. Dir. Mesle expressed reservations about some areas of the policy and preferred to defer approval until the policy is reviewed by legal counsel.

Dir. Styles questioned the wisdom of having no policy in place while working toward a more durable one. She did not want the board to commit to a policy that failed to incorporate other pertinent policies, such as conflicts of interest. Dir. Parker suggested that the board provide provisional approval for this policy until the next meeting and revisit the policy once legal counsel has provided advice. This will provide the E.D. with guidance in the interim. Dir. Parker withdrew her previous motion to approve the policy. Following a new motion by Dir. Parker and a second by Dir. Mesle, the Financial and Control Policy was unanimously given provisional approval until the next meeting at which a quorum is present.

Dir. Styles then reported that a master corporate card account with a \$10,000 combined limit was approved by Commerce Bank. Mr. Whitten will have a card with a \$5,000 limit, with the remaining amount to be distributed among other staff members, should the E.D. so designate. Mr. Whitten reported that his card arrived earlier that day.

Audit Selection Process

Mr. Whitten reported that he is working with Directors Styles and the Audit Committee to select an auditor. It is anticipated that the selected firm and the Fund will enter into a 3-year contract to audit 2017, 2018, and 2019 financial operations, with the possibility to extend the contract.

Dir. Holman requested a timeline for this process. Mr. Whitten shared that requests for proposals were submitted to 9 firms based in Jackson County, with the intention to submit a request to a 10th firm. Firms with requests submitted are: CBIZ, Inc., Mayer Hoffman McCann, Cochran Head Vick & Co., Emerick & Company, Grant Thornton, House Park Dobratz & Wiebler, Howe & Co., Novak Birks, Ralph C. Johnson & Co., and Welch & Associates. A request to BKD will be submitted shortly. Mr. Whitten expressed hope that at least 3 firms would respond with proposals by July 27th, a selection would be made by August 10th, and the audit would be scheduled within 2 weeks of selection. Audited financial statements would be completed by November 1st so that the Fund can provide the report to the IRS by November 15th. The auditor's contract could be extended beyond 2019, or a new RFP would be issued. Dir. Holman reminded the E.D. that the board wants to provide opportunities to minority- and women-owned firms and encouraged outreach to as diverse a pool of potential providers as possible.

Children's Services Contracting

Director Rohs reported that 2nd Quarter invoices for current children's services contracts are due July 16, and Fund reimbursements to contractors are expected to be in the hands of service providers by August 15. Agencies have been notified of the due date for invoices.

Dir. Rohs then shared the progress made on the 2019 Requests for Proposals process. Mr. Whitten and Directors Rohs and Holman met to work on the RFP document and procedures. Dir. Rohs outlined decisions that the board would need to make in order to begin next year's contract award process by August 6th. Those decisions included whether to fund programs for 1 or 2 years, whether there would be two rounds of RFPs--one for the calendar year and another for the school year, caps on dollar amounts and numbers of projects that each agency can receive, and what should be done about funds from 2018 awards that agencies may not be able to spend by year end.

After considerable discussion, the board decided to cut off 2018 funding as of the end of the calendar year, regardless of amounts left unspent. This would allow a clean start in 2019 for funded agencies and the JCCCSF and eliminate reporting and budget management issues arising from 2018 contracts. Dir. Holman stated that this decision must be communicated clearly and in advance to currently funded agencies.

Discussion followed about whether to launch 2 RFP processes for school-based and non school-based programs. Mr. Whitten reported that there is a 30%/70% split between school-based and non-school-based programs that the JCCCSF currently funds. Mr. Whitten reported further that \$865,000 outside of the \$10,000,000 recommended for two funding rounds in 2019 would be needed to fund 2018 school-based projects for an additional 6 months to ensure the programs can continue for the full 2018-2019 school year. Dir. Rohs explained that if there are two funding rounds in 2019, there would be an RFP issued in August for funding January through December contracts (non school-based), and another RFP issued in February for funding July through June contracts (school-based).

There was agreement from the board that there should be 2 RFP processes in 2019 to better accommodate school-based programs.

Dir. Rohs then raised the issues of whether to fund programs over 1- or 2-year periods, and whether agencies should choose to apply for 1- or -year contracts. Dir. Rohs raised the possibility of issuing RFPs every two years. Dir. Styles noted that in a sense 2-year contracts would rely on funds that have not yet come in and expressed concern about depending on future tax receipts to fund projects. Dir. Parker suggested that contracts be written so that first-year funding is guaranteed (except for non- or unsatisfactory performance), and second-year funding is contingent on performance and availability of funds. Mr. Whitten shared that in his meetings with other Children's Services Funds, he found that some do have funding contracts for 2 and even 3 years. Dir. Holman encouraged the board to be mindful of capacity, and Dir. Mesle encouraged the board to hire staff to ensure that there is the capacity to process the funding rounds needed to best serve the agencies.

Discussion of limits on contract awards followed. Both dollar amounts, and numbers of funded projects were discussed. Dir. Rohs requested that the board revisit the caps that governed 2018 awards -- \$250,000 per project, and 2 projects per agency. Dir. Rohs noted that different caps may change the scope of what some programs can do. Programs providing residential services were noted because of their additional real estate and staffing expenses.

In the interest of time and adequate consideration of the issues involved, Dir. Holman asked that discussion of RFP recommendations be continued at the August 2nd meeting and board approval deferred until that meeting. She noted that an additional issue regarding matching funds also required discussion.

Dir. Holman then opened the meeting for additional comments from JCCCSF directors and meeting guests.

Claire Terrebonne of Jackson County CASA encouraged the board to consult the agencies being funded to get a sense of what works. Regarding the discussion of contract length and what other counties do, Ms. Terrebonne said that she doesn't think that other CSFs extend contract periods to permit the use of unspent dollars.

Barb Friedman, Community Volunteer, further encouraged the board to partner with other funders in the community. Communication with those partners and other foundations could extend what can be done and garner more support from community resources. Ms. Friedman also reminded the board that the funds granted to agencies are an investment in the good ideas and the hopeful opportunities of agencies, and the board and agencies receiving funds should view these awards as such. She distributed flyers that announced an August 10 meeting of the children's/family services coalition that was instrumental to establishing the Jackson County Community Children's Services Fund.

There being no further discussion, Dir. Holman asked for a motion to adjourn the meeting. With a motion from Dir. Parker and a second from Dir. Mesle, the motion was approved unanimously, and the meeting was adjourned at 4:30 pm.

Next Meeting: August 2, 2018, Westview Room, Mid-America Regional Council, 2:30 to 4:30 p.m.