



**Finance & Operations Committee Meeting
Transcript**

July 1, 2021

THE CHILDREN'S TRUST
FINANCE AND OPERATIONS COMMITTEE MEETING
"VIRTUAL MEETING VIA ZOOM WEBINAR WITH A QUORUM OF
MEMEBERS PHYSICALLY PRESENT
AND SOME MEMBERS ATTENDING VIRTUALLY"

The Children's Trust Finance and Operations
Committee Meeting was held on July 1, 2021
commencing at 9:30 a.m., with a quorum of members
physically present and some members attending
virtually. The meeting was called to order by Mark
Trowbridge, Chair.

COMMITTEE MEMBERS:

Mark A. Trowbridge, Vice-Chair
Gilda Ferradaz, Vice-Chair (Zoom)
Dr. Magaly C. Abrahante (Zoom)
Matthew Arsenault
Constance Collins
Rep. Juan Fernandez-Barquin
Hon. Isaac Salver (Zoom)
Kenneth Hoffman (ex-officio)

1 STAFF:

2 Amanda Gorski

3 Andrew Suarez

4 Felix Becerra

5 Imran Ali

6 Jacques Bentolila

7 James Haj

8 Joanna Revelo

9 Juana Leon

10 Juliette Fabien

11 Lisete Yero

12 Lori (Katherine) Hanson

13 Marden Munoz

14 Muriel Jeanty

15 Sabine Dulcio

16 Sheryl Borg

17 Stephanie Sylvestre

18 Susan Marian

19 Wendy Duncombe

20 William Kirtland

21 Ximena Nunez

22 GUESTS:

23 Liana De Angelis

24 Jeve Clayton

25 Mario Rodrigues

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PROCEEDINGS

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

MR. TROWBRIDGE: Thank you all very much. It's hard to believe a week ago today was when the tragedy in Surfside happened. I'm very proud of our community, our leadership, and so many who have stepped forward to participate and be part of an unthinkable tragedy here in our community. So with that, we will carry forward but with heavy hearts.

Muriel, do we have any public comments?

MS. JEANTY: No, Mr. Chair, no public comments.

MR. TROWBRIDGE: Thank you, Muriel.

The next item on our agenda is the approval of the June 3, 2021 Finance and Operations Committee Meeting minutes.

Do I have a motion to approve the minutes?

MS. FERRADAZ: I'll make a motion for approval, Ferradaz.

MR. TROWBRIDGE: Thank you, Gilda.

DR. ABRAHANTE: Second, Abrahante.

MR. TROWBRIDGE: -- take a second. -- make a motion, it was seconded.

DR. ABRAHANTE: Second, Abrahante.

MR. TROWBRIDGE: Thank you very much, Magaly.
Any corrections, any edits, any additions?

1 Seeing none, all in favor of the minutes of June

2 3 say aye.

3 ALL: Aye.

4 MR. TROWBRIDGE: Any opposed say nay.

5 Motion carries, thank you very much. Again, I'm
6 going to welcome Isaac, Magaly and Gilda, they are
7 joining us on the Zoom. You're joined today by
8 Chairman Ken Hoffman, Matthew Arsenault, and our
9 Representative Juan Fernandez-Barquin, along with
10 myself here in person.

11 Two orders of business today. We will continue
12 our discussion about the budget. I appreciate the
13 briefing earlier with Imran. We will be able to hear
14 a little bit more about that today. Now, we've had,
15 probably, for the last three committee meetings,
16 pretty robust discussion on the millage rate. We had
17 some additional discussion at the board meeting of
18 two weeks. We certainly want to leave that
19 opportunity open for folks to continue to weigh in.

20 I do believe at our last committee meeting we
21 were leaning toward a general consensus at the .5
22 mills. We will take more affirmative action on that
23 today. I do want to welcome Constance Collins on the
24 Zoom. I know you are travelling and on vacation, so
25 thank you also for making time. I know many of you

1 have time off as we are now heading into the long
2 weekend. So thank you to those who have made the
3 time to be with us today for a very important
4 meeting.

5 So I'll open up some discussion and ask for
6 those of you that would like to weigh in to do that.
7 Jim and Bill, anything that you would like to say in
8 advance of our discussion related not only to the
9 millage, but certainly the '21-'22 preliminary
10 budget?

11 MR. HAJ: Mr. Chair, thank you. If I can just
12 have a brief moment. Some of it will be repetitive.
13 We've been starting to talk about this since January.
14 But the last three-month discussion, a little from
15 yesterday, last month -- the PowerPoint. I'll just
16 go ahead and talk through the PowerPoint while
17 they're trying to pull it up. But I want to give
18 everybody a little history. 2010 to 2017 the Trust
19 was at a half millage rate. The Trust was at a half
20 millage rate throughout that duration. In 2017 we
21 had our fund balance that was going in excess of 70
22 million dollars.

23 So this committee, many of you were here at the
24 time, developed a plan of how to drive down the fund
25 balance or provide additional support in the

1 community. We did this in a couple of different
2 ways. One is we reduced the millage rate. We knew
3 we were at the half mill, kind of wanted to stay at
4 the half mill, but we could not sit with a fund
5 balance of 70 million dollars when there was such
6 needs in the community. So we reduced the millage
7 rate and then put out additional revenue in this
8 five-year cycle to drive down the millage. So we are
9 now expending more than we are bringing in. And we
10 knew that this was going to take place.

11 So the plan that was developed actually worked
12 exceptionally well. And we're at the point now where
13 the success has been realized and we need to start
14 level funding just to stay in our programs. We
15 cannot use fund balance to continue supporting our
16 programs. So since the start of the last major
17 funding cycle, which is October 2018, we added an
18 additional 36.8 million annually. And that's 160.9
19 million over a five-year cycle.

20 This five-year commitment, again, talks about
21 how do we support this community who needs us the
22 most during this time. And the total budget we're
23 putting out now is \$162,144,548.00 in the programs.
24 So if you look -- in your packet you have attachment
25 A, which is a 3-pager. I think it's on page -- it

1 starts on page 5 in your packet and goes to page 7.

2 So we're talking about emphasizing program services.

3 If you look at page 7 of your packet, which is
4 the core strategies, this pretty much is the detailed
5 look of our budget. And if you look to the right
6 hand column, you'll see the, under sustained and
7 expand direct services, you'll have the increases
8 there, and this directly correlates to the board
9 priorities that came out of the board workshop in
10 February, that was brought back to the board several
11 times for approval and consent saying this is the
12 areas they want to fund.

13 So the chart -- and you have it, I believe you
14 have the chart in your packet, you have it on your
15 iPads, these additional dollar amounts came out of
16 the board retreat. So the proposed half millage,
17 which we had consensus at last finance committee,
18 really supports this new investment that came out of
19 the board retreat, one is early childhood
20 development. We had talked, we know we have 700, 800
21 kids on the waitlist. How do we help early
22 childcare. Our social emotional wellness that deals
23 specifically with our racial equity work, as well as
24 youth violence.

25 Health and wellness and parenting. The rest of

1 the categories there is no increase, it is the same
2 from the year prior. When you get to administration,
3 nonoperating expenditures, you see a \$355,000
4 increase for management of The Trust.

5 I just want to put this into perspective, again,
6 we are doing -- throughout the years we have
7 downsized staff. People remember, years ago we had a
8 separate office building in this building, in the
9 United Way building, which we closed down and moved
10 everybody over. We have less people and we're
11 putting out an additional 160 million over a five-
12 year cycle, which takes program managers to sustain
13 it. So that 355 is really a merit increase as well
14 as some FRS and insurance that the HR committee
15 approved a couple of months ago. And the
16 nonoperating expense, the \$500,000 increase, this is
17 really things that we do not control, this is
18 property appraiser, the tax collector and our CRAs
19 that are identified in this area.

20 And then if we go to the TRIM revenue's millage,
21 so the property appraiser, and we're still waiting,
22 it still hasn't updated in the last ten minutes. The
23 property appraiser released, as of 6/1, the
24 preliminary assessed tax role of \$338,000,097,000.00.
25 July 1, which is today, they're supposed to be

1 releasing the final. And as soon as we do the final,
2 we'll just update these charts to reflect that before
3 the board meeting.

4 Again, the last Finance Committee meeting, we
5 had consensus among the team and that's what we're
6 bringing back from the committee, the half millage
7 rate on June 3. An adoption of the proposed half
8 millage rate would be \$6.83 annual increase to the
9 roll back rate per household. We're really not
10 talking about the roll back rate. The two things
11 that have been played the last couple of months was
12 the level balancing at .48. So from .4825 we sustain
13 our services right where we're at. If we go to half
14 mill, we can additionally support the board
15 priorities and that would be a \$2 increase per family
16 on average for the year. The total TRIM revenue is
17 \$160,596,000.00. That is aligned with the best
18 practices regarding our fund balance.

19 And again, I do want to talk about the GNA and
20 the management expenses. It is at the lowest at 6.22
21 percent. And I just want to continue reiterating,
22 \$160,000,000.00 additional and we are still running
23 at the same stopping levels.

24 So, thank you, Mr. Chair, and I'd like to ask
25 Bill, because I'm sure I have a lot of holes that

1 Bill is going to cover up.

2 Wait, one more thing, on the first page of page
3 5, the attachment A, just to remind everyone, this is
4 the one that gets published in the Herald and all the
5 necessary reporting requirements as we go into TRIM.

6 Bill?

7 MR. KIRTLAND: Reiterating to committee members
8 and board members the fruition of this long-term
9 strategy that we believe has gone quite well, really,
10 in the discussion, in the collaboration of the
11 members of this committee. The expertise of this
12 committee really and the type of insight that we've
13 perceived over the years and the types of
14 relationships that we've established with working
15 alongside county departments as well as our other CSC
16 organizations and understanding how they're budgeting
17 and predicting market patterns within the state and
18 in our county. It varies a little bit, but we do
19 share common trends.

20 So we started out this long-term plan years ago
21 with the understanding that we did want to look into
22 utilizing our reserves while managing a millage rate
23 that was less than the half mill. And for years we
24 continuously tracked the use of our funds. And now
25 we are arriving in what's projected to be, at the end

1 of this year, we'll have a fund balance roughly
2 around 30 to \$32,000,000.00 with some, hopefully,
3 reasonable deviation within that range.

4 Early indicators in our -- within our monthly
5 financial statements that we will also present on,
6 probably already presenting now, is that we have very
7 similar patterns as at the end of May 2021 compared
8 to at the end of May 2020. There could be different
9 factors that are taking place between this year and
10 last year, but we're seeing roughly the same
11 expenditure pattern. And that's exactly how we
12 developed our forecast and how we would finish this
13 year.

14 So unless there's an unforeseen event in the
15 remainder of the fiscal year, we think we'll be right
16 where we were hoping our fund balance would be at the
17 end of this year. So alongside what Jim was
18 mentioning, as the board priorities and what we hope
19 to invest in next year, we think that we will sustain
20 our fund balance as well as include any additional
21 investments into our community this year within this
22 presented strategy.

23 I think I might also be setting up our IT
24 presentation a little later today, by mentioning, and
25 also going alongside what Jim mentioned about our

1 management expenses and how, in my opinion, why we've
2 been able to continuously expand our program services
3 while keeping our proportional management expenses
4 low is that we have had a robust and excellent, I
5 think, development of certain systems and within our
6 IT infrastructure at The Children's Trust that has
7 allowed us to explore a variety of ways to expand in
8 our volume of transactions and increase our
9 investments without having to look into significant
10 labor investments doing things the traditional way.

11 So we've looked at things in an innovative way
12 and we protected the quality of our internal controls
13 to make sure that that environment is sustained first
14 and foremost as we head into future years and larger
15 community investments. So I think that kind of wraps
16 it up for me, unless anybody has questions now.

17 MR. SALVER: Yeah, I have a question, Bill. If
18 I can, Mr. Chair? Give me the math --

19 MR. TROWBRIDGE: -- Bill --

20 MR. SALVER: Can you hear me?

21 MR. TROWBRIDGE: -- having technical difficulty.

22 Constance, and then I'll come to you, Isaac.

23 Constance, you had your hand up? Constance, go

24 ahead. I don't hear Constance, but while we're

25 trying to get her on the line. Isaac, go ahead.

1 MR. SALVER: Okay, thank you. Real quick, I
2 just want to -- William, can you give me the math on
3 how you calculated \$6.83 per household?

4 MR. KIRTLAND: Pardon me, Isaac. And I think I
5 heard your question from across the room on someone
6 else's laptop. I'm just going to repeat your
7 question, that you want me to give you the math on
8 how \$6.83 was generated per household, correct?

9 MR. SALVER: Yeah, is it -- that's an increase,
10 right? You said that's the marginal change?

11 MR. KIRTLAND: I think the question you're
12 asking, right, is for me to explain a little bit
13 further about the effect, the tax payer effect and
14 what that dollar amounts means. I just want to
15 clarify the fact that we have challenges in
16 explaining exactly what the tax payer effect will be
17 for every individual tax payer, is the tax effect
18 obviously varies depending upon household income or
19 the value of households.

20 So what we've done in this regard is looked at,
21 or used the median household value, which is probably
22 surprisingly low, with the calculation, -- that's
23 just below \$200,000.00, the statement that's been
24 provided to The Trust as the median household value.
25 This number represents the incremental increase if we

1 were to apply the roll back rate, which would
2 generate the same revenue as next year that we
3 utilized to support our budget this year, alongside
4 the use of funders. That would be the average income
5 per household if we adopted the half millage rate,
6 the increase from one average household value -- the
7 initial values that we calculated, the balance. The
8 roll back rate on average generates about a \$50.56
9 effect per household. Whereas the half millage rate
10 its \$57.39 on the tax payer.

11 MR. SALVER: First of all, the sound coming from
12 you is really bad. There's like a relay, some type
13 of relay, so it's difficult to hear. But I think I
14 understood that you said you used a median household
15 taxable value of under \$200,000.00, which I think is
16 unrealistic. So I think you're giving us bad
17 information to begin with.

18 Another question that I had is, for our prior
19 fiscal year, let's say for the three quarters or so
20 from our current fiscal year, how much have we
21 actually spent versus how much we have allocated to
22 programming. Do you understand the question, Bill?

23 MR. KIRTLAND: I'll repeat. I'm hearing that
24 you're asking how I guess, our budget utilization.

25 MR. TROWBRIDGE: Bill, would you turn your mic

1 on, please?

2 Mr. KIRTLAND: I'm just trying to speak loudly
3 in the room and -- the microphones. I think I'm
4 being heard on the Zoom call as well.

5 Isaac, so your question I think is, what was our
6 budget versus utilization for the fiscal year end
7 2020 as an indication of what our effectiveness of
8 our budget spend was, is that your question?

9 MR. SALVER: Yeah. And my -- I'm trying to find
10 out how much unspent money that we have that was
11 budgeted but unspent.

12 MR. KIRTLAND: Okay, last year our effectiveness
13 was we did not spend around eight percent of our
14 budget. This is an improvement that we made year to
15 year. I think over the past four or five years we've
16 been able to improve that from somewhere around 14
17 percent down to eight percent of underspend. So
18 we're trending in that direction. Our goal in the
19 next few years is to continue to look at increased
20 program service contract utilization, make sure that
21 funds are properly allocated within various awards.
22 That's a number that's improving each year.

23 MR. SALVER: So, Bill, eight percent represents
24 how much in cash?

25 MR. TROWBRIDGE: Isaac, any other questions?

1 MR. SALVER: Yeah, how much does the eight
2 percent translate into dollars and cents?

3 MR. KIRTLAND: Isaac?

4 MR. SALVER: Can you hear me? Can you hear me?

5 MR. KIRTLAND: You're kind of cutting in and
6 out.

7 MR. SALVER: How much does the eight percent
8 unspent allocations represent in dollars and cents.

9 MR. KIRTLAND: It's reflected in our budget this
10 year, what we believe is going to be -- it's
11 essentially built into our fund balance strategy
12 where we think -- sustaining our fund balance with
13 expecting certain underutilization within the budget.
14 So eight percent is roughly budgeting for 173 and a
15 half million dollar budget, while expecting somewhere
16 in the range of 158 million dollars to 160 million
17 dollars to be spent.

18 Let me correct that, Isaac, I'm sorry, because I
19 was looking at the current. That's our current year
20 expected forecast in performance. And we expect
21 something similar to that next year, so we're
22 budgeting at around 178.6 million dollars and
23 expecting to spend around 163 million dollars.

24 MR. SALVER: And eight percent, you said, eight
25 percent is the lowest it's ever been in the history

1 of The Trust?

2 MR. KIRTLAND: I was just reflecting upon our
3 five-year history when I look back on our fiscal year
4 '16-'17. We were underutilizing our budget in the
5 range of 14.5 percent. And the completion of last
6 year, we were at 8.5 percent.

7 MR. SALVER: Okay. What is the trend? You've
8 been here for a long time, what is the trend?

9 MR. KIRTLAND: The trend is an improving trend
10 because it's gone down incrementally a couple of
11 basis point, or a couple of percentage points every
12 year. So we're hoping to see that number just get
13 better by the end of the cycle, and then as we head
14 into the newest funding cycle starting fiscal year
15 '23-'24.

16 MR. SALVER: So remind me one more time the
17 dollar difference between five mills and the roll
18 back rate, how much does it represent, the
19 difference?

20 MR. KIRTLAND: Is that in revenue or?

21 MR. SALVER: In cash.

22 MR. KIRTLAND: Okay. The difference between
23 what the revenues would be generated by the half
24 millage rate is 160.5 million dollars compared to the
25 roll back rate of 139.8 million dollars.

1 MR. SALVER: So how much is the difference? I
2 don't have my calculator out.

3 MR. KIRTLAND: \$20,749,013.00.

4 MR. SALVER: Okay. All right. Thank you.

5 MR. TROWBRIDGE: Thank you, Isaac.
6 Constance?

7 MS. COLLINS: Can you hear me now?

8 MR. TROWBRIDGE: Yes, ma'am.

9 MS. COLLINS: Okay, great, thank you so much.
10 Sorry for the disembodied voice. I want to say that,
11 to state the obvious, to a degree, these are really
12 unprecedented times, and we don't know the full
13 impact of the pandemic, but from a service providers
14 perspective, this has been beyond challenging for the
15 last year and a half. I think I can safely we say we
16 have all incurred expenses never anticipated and
17 expenses that are now embedded in our future
18 operating budgets, whether to provide the same or
19 adaptive services for children across the community
20 that are very much in need. Just watching from our
21 shelter how the children struggled with school. The
22 lack of gains from an academic standpoint throughout
23 this year and what I consider to be an ever widening
24 gap between children of needs and children without in
25 our community. I think it is imperative that we find

1 ways to invest in and respond to the impact of the
2 pandemic.

3 I do -- I'm very much in favor of the budget
4 that has been proposed. I think it appears to me to
5 be extremely crafted to address the board priorities
6 and further to address the racial, equity, diversity
7 and inclusion Ad Hoc Committee priorities and
8 recommendation. I do think -- I recognize its
9 difficult anytime there is a perceived tax increase.
10 I do think this is a modest increase. And I think
11 it's really essential to ensure that The Trust is
12 properly positioned to address the needs of our
13 children across the community in these very difficult
14 times. I don't see the pandemic as over with. I
15 think we continue to see challenges at our shelter,
16 every week someone is testing positive. So I'm aware
17 that we are not at the other side at this point.

18 And I do want to commend The Trust at how
19 quickly it adapted to these difficult circumstances
20 and the way in which it has pivoted to try to address
21 those needs of both children and providers struggling
22 to ensure that they are properly supporting children
23 and families in our community. So I want to say I'm
24 in favor of both the budget and the half -- the .5
25 millage rate and I think its absolutly essential at

1 this point in time to assure The Trust is properly
2 positioned for the future to address the needs of
3 children in our community. Thank you.

4 MR. TROWBRIDGE: Thank you, Constance.

5 Any other feedback before we go -- we have two
6 votes we have to take today, one on the millage and
7 one on the budget.

8 Anyone here? Matthew?

9 MR. ARSENAULT: I also support the half millage
10 rate. I think that the plan was executed effectively
11 and the expectation of The Trust in serving the
12 community, the budget was very well thought out.

13 MR. TROWBRIDGE: Thank you, Matthew.

14 All right. I want to make sure, Magaly, I
15 didn't know if you had your hand up or not, but I'll
16 start with you. Is there anything you'd like to add?

17 DR. ABRAHANTE: Yes, good morning.

18 MR. TROWBRIDGE: Good morning.

19 DR. ABRAHANTE: I just wanted to follow up on
20 Contance's comment. I am a fiscal conservative in
21 all my actions and I voted that way throughout the
22 years that I've been in this position. But I do
23 agree that we are in a unique situation and a very
24 challenging one. And so I believe that the proposed
25 budget and the proposed millage is a good thing to do

1 at this point. I'm not sure if I would feel this way
2 if it was a different situation, but under the
3 current situation, I think that we have to
4 acknowledge that this is not business as usual. And
5 I do agree that the pandemic is not over and we are
6 seeing more cases beginning to build up again with
7 this Delta, whatever it's called, strain. So I
8 wanted to indicate my support for what's being
9 proposed.

10 MR. TROWBRIDGE: Thank you, Dr. Abrahante.
11 Ken?

12 MR. HOFFMAN: I would just say, as a nonvoting
13 member of the committee, I do support the budget. I
14 spent a lot of time outside of the committee with
15 Bill and Jim about some of the things that have been
16 mentioned, like the inefficiencies, but also the
17 allocation, the budget, and the strategy. I think
18 it's been well thought out this year and I fully
19 support it.

20 MR. TROWBRIDGE: Thank you, Mr. Chairman.
21 Seeing no other comments --

22 MS. FERRADAZ: Mark, I have --

23 DR. ABRAHANTE: Gilda has a comment.

24 MS. FERRADAZ: I have my hand up.

25 MR. TROWBRIDGE: I apologize, Gilda. Thank you,

1 Gilda.

2 MS. FERRADAZ: Thank you Bill and Jim for the
3 presentation. I just want to clarify to make sure
4 that this is the direction we're going. The increase
5 in revenue would basically be funding the board
6 priorities, right, the increase priorities that we
7 identified that needed to be funded, and it's not
8 going to be increasing our fund balance; is that
9 correct?

10 MR. HAJ: Gilda, if I may, yes, that's exactly
11 correct. You saw the chart with --

12 MS. FERRADAZ: I'm sorry, you're breaking up.

13 MR. HAJ: That is absolutely correct. If you
14 look at the four strategies, we took the board
15 retreat, what the board had voted upon, what their
16 priorities were and put dollar amounts to it and it
17 is upon that. There is a million dollars extra that
18 does not go into the half mill, but we do not know
19 what's happening the second year. The second year is
20 reflectibility of what is coming down the pipe, that
21 we can adjust. Whether it's youth violence. Whether
22 it's dealing with the pandemic. Social or emotional
23 health. But it is funding for the four areas of the
24 board priorities.

25 MR. TROWBRIDGE: Thank you. Very good.

1 MS. FERRADAZ: I know that Bill talked about the
2 underutilization and that we're only eight percent
3 underspent. I encourage staff to really monitor that
4 to make sure that we're maximizing the funding. I'd
5 hate to have a tax increase and then surplus money,
6 you know, it'll make it look like we really didn't
7 need it. so I think it's really important that we
8 maximize the utilization of the extra funding that we
9 get.

10 MR. TROWBRIDGE: Great. Thank you, Gilda. All
11 right, so our first vote. Is there a motion to
12 approve the preliminary millage rate of .5 mills for
13 fiscal year 2021-2022? I'll take a motion.

14 MR. ARSENAULT: So moved, Arsenault.

15 MR. TROWBRIDGE: Moved by Arsenault.

16 MS. COLLINS: Seconded, Collins.

17 MR. TROWBRIDGE: Seconded by Collins.

18 Are there any recusals? Any further discussion?

19 I think we've had good conversation in the last
20 three or four meetings. All in favor of the .5 mills
21 for next year's fiscal year, please signify by saying
22 aye.

23 ALL: Aye.

24 MR. TROWBRIDGE: Any opposed nay.

25 MR. SALVER: Opposed, nay. Salver.

1 MR. TROWBRIDGE: Motion carries. Thank you very
2 much.

3 Our second motion is to approve the preliminary
4 budget for fiscal year 2021/2022 for The Children's
5 Trust. Is there a motion to approve the preliminary
6 budget?

7 MS. COLLINS: Moved, Collins.

8 MR. TROWBRIDGE: Thank you. Collins, Constance.
9 Is there a second?

10 MS. FERRADAZ: Second, Ferradaz.

11 MR. TROWBRIDGE: Thank you. Seconded by both
12 Ferradaz and Fernandez-Barquin.

13 Any recusals?

14 Seeing none, we'll move into any additional
15 discussion. Again, I think we had good discussion
16 today and in the previous meeting on the budget.
17 Thank you, everyone, for participating so actively in
18 that process.

19 Seeing none, we'll move to a vote.

20 All in favor please signify by saying aye.

21 ALL: Aye.

22 MR. TROWBRIDGE: Any opposed nay?

23 MR. SALVER: Nay, Salver.

24 MR. TROWBRIDGE: Thank you. The motion will
25 carry. Thank you all for your good work in putting

1 these two items that will go forward to the full
2 board and obviously as part of our TRIM hearings in
3 September.

4 Next we'll be moving toward an IT presentation
5 and so I'm going to turn it over to Him who will
6 introduce our IT Director, Sheryl Borg, who will also
7 assist us in our resolution that we'll consider later
8 in the meeting.

9 Jim?

10 MR. HAJ: Mr. Chair, thank you. In front of us
11 we're going to do a quick presentation before we get
12 into the IT. But as Bill had mentioned, the IT
13 strategy we developed over the last four years,
14 really the investment from the Finance Committee, the
15 leadership from this committee prepared us
16 exceptionally well when COVID hit. We were able to
17 just walk away with our laptops and not miss a beat.
18 In addition, we saved over a million dollars, if not
19 many million dollars -- in businesses --

20 MS. BORG: Good morning, Mr. Chair, directors,
21 staff and community members. My name is Sheryl Borg
22 and for the past three and a half years I've been
23 honored to support our community as the IT director
24 for The Children's Trust. It's a pleasure to bring
25 the IT update to you today. Never before has the

1 vision of this committee, our board of directors, and
2 The Children's Trust leadership been more evident
3 than this past year. Your foresight and preparation
4 led to a seamless transition to remote work and
5 positioned The Children's Trust information
6 technology and operations teams to mobilize in
7 support of the board and our community. I thank you.

8 Next slide, please.

9 Even on days like today when technology causes a
10 bit of a challenge. In alignment with The Children's
11 Trust information technology vision and strategy, all
12 technological solutions are provided by vendors as a
13 service. The strategic decision to use vendors for
14 our software and infrastructure solutions provides
15 the opportunity to leverage the latest technology
16 while paying only for the services used, increasing
17 scalability and accessibility, reducing down time and
18 time consuming maintenance, or leaving time for value
19 added services.

20 It is the partnership with the Azza Service
21 vendors listed on the resolution book for you today,
22 that we remain responsive to the everchanging
23 technology landscape, enhancing systems to gain
24 efficiencies, improving user experience, and
25 tightening security protocols, all while spending

1 approximately one percent of the budget on
2 technology. As Bill mentioned earlier, the scenario
3 where we're extremely proud and we are well below the
4 average education and nonprofit sector technology
5 budget, which is 5.77 percent.

6 Next slide, please.

7 The global pandemic health crisis has truly
8 transformed the way we work. Technology has been the
9 silver lining as many business made the digital
10 transition to online work. This rapid change has
11 provided new opportunities for cyber criminals to
12 take advantage and expose vulnerabilities. The IT
13 strategy helps mitigate our direct risk by
14 transferring a significant portion of the security
15 responsibility to our partner vendors. Together we
16 remain diligent, continually assessing our
17 vulnerability and strengthening our security
18 protocols. Cyber security is protecting information
19 systems and networks from digital attacks.

20 Cyber-attacks are usually aimed at accessing,
21 changing or destroying sensitive information.
22 Extorting money, holding information for ransom, or
23 interrupting normal business processes. In the last
24 few months we've seen some attacks that may be quite
25 familiar to all of us. Here are two: The colonial

1 pipeline attack. Here the security hackers attack
2 impacted computerized equipment that was used to
3 manage the pipeline, causing the company to have to
4 shut down its operations and really threatening the
5 vulnerability of fuel to the Eastern Seaboard. That
6 was just a few months ago. In that instance, it's
7 reported that the company paid 4.4 million dollar
8 ransom just to resume its operations. Broward County
9 Public Schools, hackers breached the computer system
10 and gained access to student records and files. When
11 they refused to pay the 40 million dollar ransom,
12 26,000 files were published by the hackers.

13 One of the ways that The Children's Trust
14 reduces its vulnerability to cyberattacks is to
15 periodically employ an objective third-party to
16 assess the effectiveness of security protocols
17 provided by our vendor partners. In March, we
18 engaged a security vendor, Simply Secure Group, LLC,
19 to conduct a cyber security risk assessment to
20 identify areas of vulnerability. Today, I'll share
21 the results of that engagement.

22 Next slide, please.

23 Our vendor conducted external penetration
24 testing, where they emulate the behavior of an
25 attacker to determine if any identified threats can

1 be used to mount an attack against our systems that
2 can lead potentially to the disclosure of sensitive
3 information or access to critical information
4 systems. As you can see, overall the results were
5 favorable with zero critical risks identified. There
6 were, however, some opportunities to reduce risk as
7 well. I'm pleased to report to you today that our
8 vendor partners have completed the recommended
9 remediation and resolved all identified risks. The
10 security vendor has conducted affirmative retesting,
11 also, to revalidate that the risks have been
12 resolved. Any issues that are associated to our
13 current website will be eliminated with the
14 development of a new website later this year.

15 Next slide, please.

16 The biggest security risk to systems is often
17 our own employees oversight to assess our
18 vulnerability with security vendor engaged in email
19 fishing campaigns directed at staff. Several
20 criminals use fishing to fraudulent attempt to obtain
21 sensitive information, such as credit card details
22 and log-in credentials, by disguising as a
23 trustworthy organization or reputable person in an
24 email communication.

25 Here are the results: The security vendor

1 conducted five fishing campaigns from March through
2 April 2021. A total of 429 emails were sent to
3 staff. Ninety-one percent of the time staff did not
4 engage in risky behavior. While 91 percent is an A,
5 we're continually striving to eliminate all
6 opportunities to compromised systems. As a follow-up
7 for the staff that got caught in the fishing net, I
8 conducted one-on-one protocol meetings, reviewing the
9 fishing emails, informing and educating staff on what
10 to look for to keep their skills sharp.

11 Next slide, please.

12 Ongoing staff training is essential to reduce
13 the risk and to respond to the constantly evolving
14 landscape. The Children's Trust has procured a
15 software solution to administer security awareness
16 training and ongoing fishing campaigns. We're
17 currently developing a deployment plan for July of
18 this year. Simply Secure will conduct penetration
19 testing on our internal infrastructure within our
20 office planned for this fall. This is an
21 everchanging landscape. Due diligence and
22 independent assessments will continue annually.

23 Next slide, please.

24 In 2020, as a result of a competitive
25 solicitation, BMK Media Consulting Corporation was

1 the selected vendor to provide infrastructures
2 service. BMK Media provides managed services,
3 posting, software, maintenance, storage, network and
4 other infrastructure components. In addition, they
5 also provide our helpdesk and user support. As a
6 result of this partnership, there have been a
7 significant cost savings, \$50,000 annually, as well
8 as staff reporting a high level of satisfaction with
9 remote helpdesk services.

10 As part of our ongoing efforts to secure our
11 technical ecosystem, BMK Media configured a tool to
12 review our Microsoft secure score. As you can see,
13 in less than one year, BMK's monitoring and
14 recommendations have already significantly improved
15 our security score, 25 up to 78 in just one year.
16 And you can see that the national average for our
17 type of organizations is in the 40s. So great
18 improvement there.

19 Next slide, please.

20 The partnerships with our software service
21 vendors, particularly Webauthor, MergeIT, Core
22 Integrator, CypherWorx and Wells, we have enhanced
23 systems to improve efficiencies. Bill referred to
24 this earlier. The Children's Trust has led the
25 requirements gathering efforts to reimagine and

1 improve our business application systems. These
2 improvements lead to flexibility in meeting today's
3 revolving and future needs like initiative planning
4 and budgeting. We are honored to have received three
5 technology innovation awards in the last two years,
6 one for Trust Central, one for StayHome.Miami and one
7 for the Book Club.

8 The Children's Trust is a key influencer within
9 our SAMIS collaborative, driving new and innovative
10 functionality benefiting the Children Service
11 Councils and partners throughout this state. In
12 addition, The Children's Trust staff has spearheaded
13 the effort to reallocate collaborative members fees
14 resulting in a significant reduction in cost this
15 year, with additional reductions over the next three
16 years.

17 Next slide, please.

18 We're very excited to have selected two vendor
19 partners to redesign the website as a portal to
20 improve user experience with providers, parents,
21 caregivers, community members, our board of directors
22 and staff. This collaborative solution aligns with
23 technical, creative and functional best practices.
24 We'll begin visioning sessions in August and look
25 forward to bringing the resolution for your review in

1 October.

2 In closing, people who work in information
3 technology do so behind the scenes. It is often said
4 that if we are doing our jobs well, it is seamless
5 and invisible to the people we support. Today, I
6 draw attention to them and publicly state how
7 incredibly proud I am of the IT data team. Team,
8 your work does not go unnoticed. Your work ethic,
9 integrity, creativity, collaboration and passion are
10 evidenced in all you do. Thank you.

11 To our executive team, a clear vision lights the
12 path. Jim, Imran, Lori, Bill, Juliette and
13 Stephanie, 2019 South Florida Business Journal CIO of
14 the year, I thank you for your leadership and endless
15 support.

16 To the Finance and Operations Committee, I
17 appreciate your time, attention and always welcomed
18 feedback, comments, collaboration and questions.
19 Thank you for your ongoing leadership and support as
20 we partner to improve the lives of children and
21 families in Miami-Dade County. Thank you.

22 If there are any questions, I'll take them.

23 MR. TROWBRIDGE: Sheryl, thank you very much.
24 Well done. And I think we all understand incredible
25 challenges of the last year and a half, not only

1 related to the pandemic, but we hear every single day
2 about intrusions. Many of us in our own workplaces
3 that dealt with very significant issues around
4 ransomware and other types of malware. So thank you
5 for your leadership and thank you for your kind words
6 for all of us who work in tandem and in support of
7 your efforts. I'll open it up for any questions
8 about not only the presentation, but we will have a
9 resolution to follow for consideration.

10 MR. SALVER: If I might, can you hear me, Mark?
11 Can you hear me, Mark?

12 MR. TROWBRIDGE: Yes, sir, Isaac, go ahead.

13 MR. SALVER: Yeah, I want to thank Sheryl for
14 the very conclusive presentation. You know, it's
15 clear that we definitely have a control on our IT
16 function and I know how important it is and how
17 critical it is to the operation of the entire
18 organization. I just want to thank you for that, for
19 the presentation. I know that you gave us a little
20 bit of credit in this process as well, but I just
21 wanted to give you kudos for a job well done.

22 MR. TROWBRIDGE: Thank you, Isaac.

23 MS. BORG: Thank you so much.

24 MR. TROWBRIDGE: Other questions, other
25 comments?

1 Sheryl, thank you again very much. Thank you
2 for keeping us so well informed, and I don't think
3 it'll be too long before we're talking about you as a
4 CIO of the year. So keep up the good work. And very
5 much appreciated.

6 We do have one resolution for consideration
7 today and that is Resolution 2021-A: Authorization to
8 renew services and execute related agreements with
9 multiple IT vendors in a total amount not to exceed
10 \$1,792,471.00, inclusive of \$50,000.00 contingency
11 for IT budgeted enhancement projects for a term of 12
12 months, with two agreements commencing on October 1,
13 2021, and ending September 30, 2022; and request a
14 waiver of the procurement policy. You can look at
15 pages 8 through 13 for additional information related
16 to this resolution.

17 But at this moment I will take a motion to
18 approve Resolution 2021-A.

19 MS. COLLINS: Moved, Collins.

20 MR. TROWBRIDGE: Thank you, Constance. Is there
21 a second?

22 MR. SALVER: I'll second it, Salver.

23 MR. TROWBRIDGE: Seconded by Salver. Any
24 recusals?

25 Seeing none, let's move into discussion. So

1 just a reminder, while you're thinking about this,
2 that we're seeking funding to renew various services
3 utilized for the operations of The Children's Trust
4 and to enter related agreements with the vendor
5 and/or partners in a case where The Children's Trust
6 is a member and/or participant in the
7 consortium/committee, such as the SAMIS, HealthMaster
8 and Miami IDEAS. And you see on pages 8 through 13,
9 the services, vendors and funding amounts as follows.

10 Any additional discussion?

11 MS. COLLINS: I just want to add, if I could.

12 MR. TROWBRIDGE: I don't think I seen you.

13 MS. COLLINS: Sorry, my hand is up. Can you
14 hear me? This is Constance.

15 MR. TROWBRIDGE: Yes, we can, Gilda, we can hear
16 you. Oh, sorry, Constance. I'm not seeing you, but
17 please go ahead. I'm in a different page. Go ahead.

18 MS. COLLINS: I just wanted to say what an
19 impressive presentation we just heard and how
20 comforting it is in these difficult times to know
21 that The Trust is really, in my mind, ahead of the
22 curve when it comes to IT issues and ensuring that we
23 are properly protected as an organization, especially
24 given the level of sensitive information that we are
25 involved with in regard to children and families.

1 And I want to just say congratulations to their whole
2 team, and I'm very much in support of this motion.

3 MR. TROWBRIDGE: Thank you, Constance. I'll
4 turn it over to Matthew.

5 MR. ARSENAULT: Great presentation, Sheryl. I
6 appreciate it. I understand definitely to have be
7 left with cyber security and all you're doing with
8 that. I guess I would just say, I noticed that some
9 approvals here in terms of support of talked about
10 metrics and data for decision making. I would just
11 continue to encourage Trust leadership to invest in
12 what you feel are impactful investments and data and
13 analytics because I believe that can help us make
14 decisions as a board and as leadership in where
15 funding would go to make biggest impact. We continue
16 to encourage investments in that area, as they will
17 help us to make sure the dollars go to make the
18 biggest impact.

19 MR. TROWBRIDGE: Thank you, Matthew. Any other
20 comments?

21 Seeing none, hearing none, we'll move toward a
22 vote. All in favor of a resolution, please signify
23 by saying aye.

24 ALL: Aye.

25 MR. TROWBRIDGE: Any opposed say nay.

1 Motion carries.

2 Excellent work, everybody, and thank you again
3 for the opportunity to have the presentation.

4 Jim, I'm going to turn it over to you for the
5 CEO report, I know you have a couple of items to
6 update us on.

7 MR. HAJ: Mr. Chair, thank you. I will be
8 brief. Monthly financial statements were attached.
9 I'm not necessarily sure, Bill, do you want to go
10 through those?

11 MR. KIRTLAND: I don't have much to additionally
12 add after discussing the budgeting approach earlier.
13 Just the fact that our expenses are almost completely
14 in alignment. Let's just go to the last page so I
15 can prove it. I think its page 5. This is in
16 summary all the activity of our core strategies and
17 what is under, overperforming, but let me just go one
18 more page so that we can see it in total. One more
19 page, please. Perfect.

20 Okay, so you can see that the expenses, total
21 expenses fiscal year '21 is 76.2 million dollars
22 compared to last year at 76.4 million dollars. So
23 just a little bit of a difference there, but almost
24 within reasonable deviation, it doesn't even reflect
25 as a one percent difference. We're pretty much neck

1 and neck with how we performed last year.

2 MR. HAJ: Bill, thank you. The selection
3 committee for Champions for Children on July 7. This
4 is really our premier event. The Champions for
5 Children, we have had a phenomenal group for the
6 David Lawrence Award. We have amazing providers that
7 are up for their award. And this is a time where the
8 board comes and selects, makes these difficult
9 selections to pick the David Lawrence Award as well
10 as program of the year. We have a group of board
11 members for July 7. I just want to remind everybody
12 if you wish to participate, it is at three o'clock on
13 July 7. We will be sending out a reminder. It'd be
14 nice to have as many board members as possible. So
15 that is July 7. And then we have TRIM I and TRIM II
16 coming in September 13 and 20.

17 Thank you, Mr. Chair.

18 MR. TROWBRIDGE: Thank you, Jim. And I
19 participated on the selection committee for Champions
20 the last couple of years. It's a really fascinating
21 process. Unbelievable candidates, sometimes very
22 difficult decisions. But as our premier awards
23 program and recognition of really great heroes in the
24 community, I would encourage board members to
25 participate. I think you can participate via Zoom

1 that afternoon, so if that's flexible for you, we'd
2 love to have as many participants as possible. You
3 have to do a little prop work, a little reading.

4 Jim mentioned the two TRIM meetings, I think
5 those are typically at 5:01. It's imperative,
6 imperative, imperative that the entire board
7 participates, that we have full attendance of not
8 only of this committee but all of our board members
9 in both of our TRIM hearings. Excellent work today,
10 everybody. We'll continue the planning for the
11 preliminary budget and our recommended millage rate.
12 And I really appreciate all of your guidance, all of
13 your feedback, and all of your commentary.

14 So with that objection, I'll take a motion to
15 adjourn.

16 MR. HOFFMAN: So moved.

17 MR. TROWBRIDGE: We have a motion to adjourn.

18 Is there a second?

19 MR. SALVER: Second.

20 MR. TROWBRIDGE: Thank you, Isaac. All in favor
21 of adjourning say aye.

22 ALL: Aye.

23 MR. TROWBRIDGE: Any opposed nay.

24 We stand adjourned. Thank you all very much, we
25 will see you soon.

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(Whereupon, at 10:55 a.m., the meeting was
adjourned.)

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CERTIFICATE OF TRANSCRIPTION

The above and foregoing transcript is a true and correct typed copy of the contents of the file, which was digitally recorded in the proceeding identified at the beginning of the transcript, to the best of my ability, knowledge and belief.

Christy Caldera, Transcriber

July 21, 2021