

3-23-2012

## Juvenile Welfare Board Finance Committee Meeting : 2012 : 03 : 23 : Packet

Juvenile Welfare Board of Pinellas County. Finance Committee.

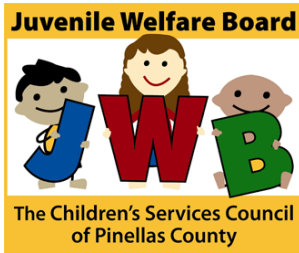
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# Juvenile Welfare Board of Pinellas County

14155 58<sup>th</sup> Street North, Suite A • Largo, FL 33760  
727-547-5600 • FAX 727-547-5610 • [www.jwbpinellas.org](http://www.jwbpinellas.org)  
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## FINANCE COMMITTEE MEETING NOTES

January 25, 2012

9:00 a.m. – 10:30 a.m.

Room 185

**COMMITTEE MEMBERS PRESENT:** Honorable Bernie McCabe, Chair, Maria Edmonds, Elise Minkoff

**COMMITTEE MEMBERS ABSENT:** Honorable Bob Dillinger

**JWB STAFF PRESENT:** Gay Lancaster, Marcie Biddleman, Lisa Sahulka, Danielle Berche, Lynn De la Torre, Sue Walterick

**GUESTS:** Cherry, Bekaert & Holland Staff: John Gilberto and Lynette Morales  
BB&T Staff: Eileen Guenther, Senior Vice President  
Fifth Third Securities Staff: Chris Pham  
Regions Bank Staff: Rob Catoe and Andrew Sinclair

**MEETING WAS CALLED TO ORDER BY MR. MCCABE AT 9:07 A.M.**

**REQUESTED APPROVAL: May 23, 2011 FINANCE COMMITTEE NOTES**

**ACTION:** Mrs. Minkoff moved approval to accept notes as written, seconded by Mrs. Edmonds;  
no further discussion; motion carried.

### REVIEW FY 10-11 DRAFT AUDIT

A draft of the 2011 Audit, combining JWB and PCMS, was distributed for review. Highlights of the discussion included:

- Auditors congratulated JWB on the sale of the 68<sup>th</sup> Avenue Building
- Three reports will be issued: Unqualified Opinion, Yellow Book Report and Management Letter
- Management Letter: a couple of recommendations
  1. Keep a checklist to track all entries that need to be booked.

2. Transfer funds timely in order for the financial statements to be consistent with modified accrual and accrual methods of accounting.

--New items this year – Fund Balance: Non-spendable (includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually bound. (i.e. long term assets such as inventory, note receivable, etc.)

--Two new notes: Reclassifications and Cash and Cash Equivalent (page 25)

The auditors commended staff for their dedication and professionalism.

Mr. McCabe spoke on behalf of the Board stating they appreciate their hard work and professionalism as well.

JWB staff left the room so the Finance Committee could discuss the audit with the auditors.

The meeting was reconvened upon JWB staff's return.

## **STATUS OF FY 10/11 INVESTMENT & POLICY**

Per JWB Bylaws, the Finance Committee shall perform an annual review of JWB's investment policies and investment performance. In compliance with the bylaws, the meeting will include: 1) a review of current investments and annual performance, and 2) a review of policy by staff.

BB&T Bank, Regions Bank, and Fifth Third Securities provided brief presentations to the Finance Committee on their Investment Options.

### Eileen Gunther, Senior Vice President of BB&T

--Benefits: 9<sup>th</sup> largest financial holding company in the nation; headquartered in Winston-Salem, NC; over 1800 offices in 14 states and the District of Columbia; 6<sup>th</sup> largest insurance broker in the nation and the world; Community Banking Model – Depth of Product Line; solid core values, vision, mission; over 50 branches in the Tampa Bay Region

--Products offered by BB&T: Public Fund Money Market Account and Public Funds Certificates of Deposit

--Percentage taken for services: BB&T PF Money Market Savings Account – 0.15% or U.S. Fed Funds Target less 0.25%, whichever is higher

### Chris Pham, Fifth Third Securities

--Clients include: Cities, towns and special districts

--Interest rate for loans is under 4%

--JWB needs to address reinvestment risks by making longer term investments

--The goal is to diversify investments which also reduces risk

--Recommending the Board take a set amount out of reserve and invest it in agency securities (securities issued by either Ginnie Mae, Fannie Mae, Freddie Mac or the Federal Home Loan Banks, and are backed by mortgage loans sponsored by the U.S. government).

### Andrew Sinclair, Vice President and Rob Catoe, Assistant Vice President, Regions Bank

--JWB's Current Bank

--Recommends investment in Regions Trust Cash Sweep (RTCS) instead of Money Market

--Enhanced Cash Strategy

Ms. Walterick will summarize the options presented and forward them to the Board for consideration.

Mr. McCabe requested the information in matrix form that would provide a series of alternatives with a projection of profit including what JWB is currently earning.

## **BOARD POLICIES**

Staff is recommending the removal of ASSET language from policies due to a number of agencies having received national accreditations. ASSET was created by JWB. Currently 34% of the agencies have received some sort of a national accreditation. JWB staff will provide assistance to the agencies, including the NFC's, who have not yet achieved national accreditation. JWB is obligated to make sure NFCs meet higher standards. Agencies want to utilize NFCs for their services because they are easily accessible.

**ACTION: Mr. McCabe moved to eliminate the ASSET language throughout the Board Policies document; seconded by Mrs. Minkoff; no further discussion; motion carried.**

## **2-1-1 TAMPA BAY CARES BUILD OUT**

Staff is proposing to enter into an agreement with 2-1-1 to rent space at our JWB headquarters. This will provide a level of synergy for the Family Services Pool, elevate service coordination, and reduce costs for both agencies. The estimated annual savings for JWB is \$22,000 and for 2-1-1 \$33,324.

- The risk is minimal. The two potential risks are: 1) 2-1-1 ceases to exist; and 2) 2-1-1 has a significant reduction in revenues
- The generator (cost shared by 2-1-1 and JWB) will be a benefit to both agencies in the event of a disaster
- The shared space will help JWB utilize unused space due to reductions in staff during the drive to reduce administrative costs
- JWB would be able to monitor and be readily accessible for 2-1-1

**ACTION: Mrs. Minkoff moved approval; seconded by Mrs. Edmonds; no further discussion; motion carried.**

## **ALL CHILDREN'S HOSPITAL AND BAYFRONT MEDICAL CENTER**

JWB received a \$3.5m donation from All Children's Hospital (ACH) last year to support behavioral, mental health, substance abuse, and medical services. Bayfront Medical Center approached JWB with the potential for an up to \$8m donation beginning next fiscal year. JWB would be supporting the hospital's effort to draw down Medicaid dollars that have been restricted at the state level. Potentially JWB could receive up to \$13m in donations from Bayfront and ACH. Staff is analyzing this opportunity based on the current portfolio, and the degree to which existing services can meet the requirement on behavioral, mental health, substance abuse, and medical services.

The Finance Committee directed the staff to proceed with investigating the negotiations with All Children's Hospital and Bayfront Medical Center.

**MEETING ADJOURNED AT 11:15 a.m.**

**Notes respectfully submitted by Penny DeLacqueaux, Executive Assistant**

