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**Board Meeting Minutes  
October 26, 2023  
10am to 12 Noon EST**

**Meeting Participants:** Gerald Waters, Reggie Johns, Teresa Roberts, Dr. Mark Stavros, , Rendy Lovelady, Ronald Pickett, Dr. Liz Holifield, Bambi Smith, Keith Dean, Mike Watkins, Courtney Stanford, Rae Kerr, Angie Nichols, Kristi Lock, Connie Lyda, Kelly Faircloth, Jeremy Scanlon, Maureen Castano, Amy Cliburn, Marcia Mathis, Charles McDonald, Christina Bertera, Ralph Haben, Michael Lee, Kathy Donofro, Sheila Pittman, Tracie Moorer, Christa Pate, Terrence Watts, Jillian Jamieson, , Janice Thomas, April Hargrove, Shawna Peterson, Amber Wookey, Kate Palazesi, Lyn Masslieno, George Baston, Shannon Massingale, Chris Johns, Darci Lolley

**I. Welcome and Chair's Remarks Gerald Waters**

Meeting was called to order and guests were welcomed. It was noted that we have a quorum of the Board. There was a recognition of Staff guests and those from the Department. It was noted that this is the 21<sup>st</sup> Annual Board Meeting for NWFHN.

**II. Awards Presentation Courtney Stanford/Rae Kerr**

Administrative Employee of the Year:	Kristi Lock
Admin Team of the Year:	Contracts Team
Operations Program Employee of the Year:	Shannon Massingale
Rookie of the Year:	Sheila Pittman
Employee Standout of the Year:	Tracie Moorer
President's Award:	Ralph Haben and Kathy Donofro

**III. Consent Agenda Gerald Waters**

- A. Review and Approval of Minutes**
  - 1. Board
  - 2. Executive Committee
  - 3. Finance Committee
- B. Review Performance Child Welfare/Behavioral Health**
- C. Media Coverage**
- D. Policy Review**

Reggie Johns made a motion to accept the Consent Agenda. Bambi Smith seconded the motion.

**IV. Review and Approval of new NWF Partnership Agreement Michael Lee**

**V. Conduct Annual Board Actions Mike Watkins**

**A. Annual Report**

**Connie Lyda**

Highlights from the Annual Report include the Christmas Adoptions across all three Circuits, the record number of adoptions totaling 526, and the reduction of Baker Acts by 10%. NWFHN is now partnered with over 150 Faith Organizations. Kathy Donofro is the Featured Staff member this year. The Financial Update is shown on page 5. The Circuit 1 CBC Lead Agency Contract was awarded to NWFHN and detailed on page 6. The Annual Report is based on the fiscal year which the data and numbers reflect.

**B. Board Policy Manual**

**Michael Lee**

**C. Code of Ethics**

**Michael Lee**

**D. Conflict Statement**

**Michael Lee**

**E. Confidentiality Statement**

**Michael Lee**

**F. Board Self Evaluation**

**Michael Lee**

The Board Members are asked to return the signed documents to Angie Nichols after review and signing.

**VI. Review and Approval of Finance Committee Report**

**Rae Kerr**

**A. 22-23 FY**

**Pg. 22 Originally Adopted Budget Summary** showing the schedule of funds for C1 of approximately \$83 million with \$100,000 in Reserves. The schedule of funds for C2/14 was approximately \$56 million with a reserve of \$50k.

**CBC Budget to Actual CBC C1** through Sept 30, 2023: Currently maintaining surplus each month. From month to month we are monitoring Out of Home Care (OHC) as we are in C2/C14. The Mgmt. Fee line item is showing a deficit because the current year actuals are being recorded on last year's rate. Today the Board will vote on the new rate which is less this year than it was last year. It will retroactively balance at the end of the year.

The Department has not closed out any of our CBC contracts. We estimated our carryforward which would be used to offset Out of Home Care. \$5 million surplus in C1 is estimated due to the carryforward expected.

There were no questions regarding the CBC C1 Budget Summary.

**CBC Budget to Actual CBC C2/14:** The deficit is driven by OHC. We have taken measures to analyze expenditures and offset these with ME funds which may be used for a certain population. Analysis is being done by staff to examine children's placement and determine if the rates are too high, if the child could go home, or if the child could go to a different placement to help resolve this deficit. We are predicting

a \$2 million deficit driven by OHC. This deficit could increase even more if we have a huge influx of children. The attachment titled "BJ102 Circuit 2/14 East OHC Analysis" shows the Out of Home costs in C2/C14 with estimated expenditures. The number of children has been consistent, however, the acuity of the children has increased. The average cost for OHC is \$4k-8k per child. When the acuity needs are higher, that changes the rate to an average of \$11k per child. There is a tight budget for C2/C14 as a result. Staff is looking at all the ways to alleviate the possible deficit which could range from \$2-5 million dollars. FTE reductions and possibly applying for the Risk Pool are considerations.

There is not a shared risk model in Florida. The Risk Pool language is still in statute but no longer has a defined threshold of 10% as of 2016. We are sub-recipients and we cannot have a surplus of extra dollars. We are a pass-through as a sub-recipient. This creates the issue of where do you go when you don't have enough dollars. Insurance is an example of a shared risk model. The State must back up any child who is abused or at risk. NWFHN has a solid history of fiscal management. The last 10 years of expenditures have never exceeded a 2% variance either positive or negative. There was an \$831k deficit only in the year of Hurricane Michael. NWFHN is always managing risks and working to balance the budget. It is imperative to provide Mental Health services to those in our care and with Out of Home costs increasing by 200%, we are not left with much room to cut in other areas.

There were no questions regarding the CBC C2/14 Budget Summary.

**ME Working Budget** – There is a projected \$125 million in expenditures. Running surplus from July to September. There is a 20% burn rate for overall expenditures for ME. We were awarded approximately \$6 million in Centralized Receiving Funds but they are not shown in this worksheet because the State has not released the funding as of this date.

There were no questions regarding the ME Budget.

**CBCIH Budget** -CBCIH budget shows a slight surplus in July and a deficit in August and September. This will be cleaned up in October once the Mgmt. Rates are amended. Anticipate a projected Revenue of approximately \$743k.

There were no questions regarding the CBCIH budget.

**NWFHN Balance Sheets:** (pages 30--31) indicate sufficient cash to meet our cash flow needs. There are sufficient grants and receivables coming in from the Department. DCF is timely in paying our invoices.

**Independence Village Balance Sheet:** (pages 32-33) \$1.6 million in debt sitting on our books as a liability, but there are no changes from the last meeting. We are still in negotiations with Florida Housing.

The **Amended Management and Administrative Services Agreement** on page 34 includes funding for salaries for the Administrative Staff and Program Staff (Monitoring), IT, and Legal, because those staff members are housed under NWFP. Each year we adopt this Mgmt. Agreement which was originally created in 2018 and approved by the Department.

The amendments are the Management Fee Rates and a True Up Clause. We added that other contracts would be trued up at the end of the year or if a grant contract ends then we can true that contract up. Page 36 show rates of 1.92% for C1, 2.37% for C2/14, .30% for AHME1, and 58.86% for CBCIH. The rate of 7.1% for Fatherhood is predicted since we have not received this grant yet. The Facilities Mgmt. rate is dollar per square foot. This does show an increase primarily due to insurance increase. The rate is \$2.08 sq. ft. vs \$1.75 per sq. ft. last year.

The Tharpe Street facility was refinanced after obtaining an appraisal. This was the last property with a second mortgage. Mortgages came due in June 2023 and ServisFirst Bank agreed to refinance. The second mortgages will be refinanced into first mortgages at a rate of 8.25% due to today's rates. Ten-year terms with a 20-year Amortization. There is no prepayment penalty for refinance if rates drop.

Motion to approve the Finance Report as presented. All in favor none opposed, passed unanimously.

Bambi Smith made a motion to agree with the refinance of the property. Reggie Johns seconded the motion. All were in favor.

Michael Lee asked for a motion to accept the Amended Management and Administrative Services Agreement that was effective 7/1/2023. Bambi Smith made a motion to accept and Reggie Johns seconded. All in favor, none opposed.

**B. Facility Updates:** No updates aside from the refinance of Tharpe.

There were no questions from the Board.

## VII. Strategic Discussions

Mike Watkins

### A. Annual Priorities

#### a. C1 Update

Christa Pate/Courtney Stanford

NWFHN committed to the Re-Procurement of all contracts and services in Circuit 1 within 2 years and we are ahead of schedule with this goal. Case Management has been awarded to FFN and Post Adoption services were awarded to

Children's Home Society. The Post Adoption contract was also expanded. There was one bidder for the RFP for Safety Mgmt. Services, but the bid did not meet requirements.

CORE program: Contracts signed and effective October 9, 2023.

- b. **Opioid Settlement:** NWFHN had 17 out of 18 of our counties that were qualified to receive funds from the Opioid settlement. Escambia county was not a qualifying county. There is a risk element to pleasing 18 county governments. NWFHN is working hand in hand with each county to get these funds in place. Funds are first appropriated out to DCF by the State. DCF then flows the funds to NWFHN to distribute to the receiving counties. We have a county designation amount; however, some items may be distributed regionally due to some counties being smaller. The allocation amounts will be sent to the Board Members showing the dollar amounts per county.
  
- c. **BHME Update** **Watkins /Stanford**

The deadline for submission to DCF is January 9, 2024. NWFHN is in a cone of silence regarding the bid. Questions have been submitted to DCF and the contract is expected to be awarded in March 2024. Regions were based on the DCF regions which changed the map across the state. This means that Madison and Taylor counties are not part of the map line for NWFHN. However, we have a long-standing relationship with these counties. There is a provision in the bid that states that we can add other counties, therefore Madison and Taylor will be put in with our bid. NWFHN has received many letters of support that will be included in the bid.
  
- d. **Faith Liaison** **Marcia Mathis**

NWFHN awarded 11 Behavioral Health Grants encompassing 16 campuses. Teens will receive the Meth Prevention curriculum from the grant funding. It is predicted that over 3,000 teens will receive this information/curriculum. There was also an awarding of general Behavioral Health grants in the amount of \$25k each. The first Inaugural Faith Summit took place on October 19<sup>th</sup> with over 50 Faith Based Organizations represented. In February 2023 we had around 90 Faith Based Organizations partnering with NWFHN. We now have over 200.
  
- e. **Criminal Justice** **Christina Bertera**

Washington County has hired an Outreach Worker and he has already made an impact. Some Outreach Workers assisted in Taylor County with hurricane relief efforts. A Jackson County Outreach Worker is working with the Judge to restart the Drug Court program. Staff are working on the Deflection Program in the 2<sup>nd</sup> Circuit and trying to get in all 3 Circuits.

f. **Fatherhood Initiative**

**Lyn Masslieno**

Chair asked that the next agenda include “Fatherhood Initiative (The Seed)”. This was approved. The focus of the Fatherhood Initiative is to offer resources to fathers so that they can impact the lives of their children. NWFHN is working with those in the Criminal Justice System who are re-entering society as well as helping those in the Child Welfare system to reunite with their children and be involved with their children. There will be 9 Peer Specialists serving the 18 counties and they will each be trained to work with fathers. The Peer Specialists will have credentials and receive add-on credentials so they are able to serve in the Telehealth area as well.

There were no questions from the Board regarding Strategic Discussions.

**VIII. Review Risk Management**

**Mike Watkins**

The Risk Management Plan will be deferred and presented at the December Board Meeting.

- a. **Executive/Legislative** – It has been 50 days since Chair Waters submitted the letter of response to the Department regarding the Forensic Audit/Review. There has been no response from the Department. When a response is received, this will be shared with the Board. There is a slight risk due to not having Madison and Taylor counties in the Behavioral Health Managing Entity ITN. It would be a loss not to have these two counties included.

b. **Legal-**

**Ralph Haben**

There are currently no claims against NWFHN.

c. **Other:**

**Michael Lee**

The recent tragedy in Maine involving mass casualties has prompted a closer examination of safety precautions. An internal assessment was started a few months ago to ensure that NWFHN is prepared to administer any services, even in a tragic event like the Maine shootings. We are working with our Partners in all Circuits to do a readiness assessment so we know what our resources are and where we need to be.

The Board was asked if there are any risks issues that were not already identified and there were none.

**IX. Review Governance**

**Gerald Waters**

a. Status of Directors

- i. Reappointment of Member(s): Chair Waters appointed Teresa Roberts as Secretary and Bambi Smith was appointed as Treasurer.
- ii. Proposed Member(s): None

X. **Next Meeting: December 14th, 10am CDT, Panama City**

XI. **Adjourn**

**Gerald Waters**

Chair Waters encouraged Board Members to participate in person at the 2024 Annual Board Meeting. He requested for the virtual Committee Meeting attendees to login 15 minutes prior to the start of the meeting. Board Members will be sent the dates for the upcoming Adoption Christmas events.