

Kids Central Incorporated Board of Directors Meeting October 21, 2014

The Board of Directors of Kids Central, Incorporated, met Tuesday, October 21, 2014, at Kids Central's Administration Office. Will Sturgill, President of the Board of Directors called the meeting to order at 11:00 a.m. after determining a quorum was present.

Board Members present: Thomas Williams, Harry Childress, Karen Davis, Edward Hutchinson, Ronald Kendrick, Will Sturgill

Staff present: Darrell Edwards, Christy Fleming, Tammy Mullins, Paula Bates, Vernon Rose, Lisa Bentley, Teresa Blair, Lindsey Sturgill, Leslie Graves, Terry Gentry, Regina Cantrell

Guests present: Angela Owens

Presentation of Board Minutes of September 16, 2014, Meeting

Thomas Williams, Board Secretary, said that reading over the minutes, he found two typographical errors; one of them was on the next to the last page. Left out was the word "said." The other one was the date of the last meeting on the very last page, which was the same date as the minutes, and should have been on October 21. He asked that they accept the minutes as corrected or revised. Mr. Kendrick said that he had one other. Misspelled was his name - Donnie Kendrick rather than Ronnie Kendrick. Mr. Williams stated that he did not catch that one. Mr. Sturgill asked if the minutes were sent by mail. When confirmed that they were, Mr. Sturgill stated that he did not get a copy. Mrs. Lee offered a copy of the minutes without the recently requested changes. Mr. Sturgill asked if everyone had a chance to review the minutes of the last meeting.

Motion by Harry Childress to approve the minutes as corrected and presented.

Motion seconded by Ronald Kendrick.

Motion carried by unanimous vote.

Mr. Hutchinson stated he would like to thank Mrs. Lee for the good job on the minutes. Mr. Sturgill mentioned that she did a very thorough job.

Presentation of the Financial Report ending September 2014

Christy Fleming, Comptroller, stated she has August and September financial reports as she was behind from the last meeting. She is now up-to-date. Ms. Fleming covered the financial report on the year-to-date basis. She directed everyone's attention to the third column on the September report. August and September are usually expensive months where we are coming back to school. We have unusual purchases for back to school, getting the classrooms ready, getting everything ready. We did have quite a bit of expenditures. For August, we had \$307,000 that we spent with \$252,000 in accounts payable and \$55,000 in payroll. We actually had a payroll at the end of July; that is why payroll seems low. We had \$338,211 for accounts payable in September. If we look at the expenses, you will see where we are at year-to-date. We are at 34%. There are some things over the 34%. The liability insurance is paid as a one-time payment. Budget for this item is \$51,000; we are at \$52,000. That expense is paid. Some things like that are not paid monthly. Our telephone is over year-to-date. However, that should go down as we canceled Comcast. We are now totally with Saratoga. That expense should go down the rest of the year. Supplies should slow down, also. Supplies are at \$88,000. A couple of things that we have purchased this year are computers for \$15,000 and Office 365 email that Tammy talked about earlier. We also purchased a new pediavision instrument for the Child and Family Services department for \$8,000. We have \$23,000 in unusual expenses. Repairs are at 78%. This expense is for supplies that are used next door. Expense should slow down as long as there is not an unforeseen expense in the future. Ms. Fleming then noted that our food expense with what USDA has reimbursed makes our net expense for center food up as well. We will need to keep an eye on our expenses this year. Mr. Sturgill asked if the liability insurance was a one-time payment for the year. Ms. Fleming confirmed this to be true and that we were paid up for the entire year. We under budgeted that expense by about \$1,000. One line item where money may be in excess is on work comp. She explained that at the time she completed the budget, she budgeted \$82,000. She believes it came in at around \$60,000. We will have roughly \$20,000 there to work with.

Motion by Thomas Williams to file the financial report as presented.

Motion seconded by Harry Childress.

Motion carried by unanimous vote.

Monthly Updates

- Education Services: Tammy Mullins, Assistant Director for Education Services, gave an Education Department update. The new year started back. Ms. Gentry and she are conducting staffings and going around to each classroom and home based programs reviewing each child's file making sure we can look at that family and see if there are any services we can offer to them. We also make sure we are in compliance with Head Start standards and licensing standards. This is a lengthy process starting in September and taking us through Thanksgiving. We review all 420 files. Each of our classroom are offering play with me day in October. This gives parents opportunities to learn about the curriculum and see what Head Start really is. These days are going very well. There are a few more this week and next week. The Education Supervisors finished the program quality assessments of each classroom. There are a few minor things we

will continue to follow up on. Health and Safety checks for our part year centers were finished on 10 October. This date was within the guidelines set by the Office of Head Start by which to have the screenings done.

- Children & Family Services: Terry Gentry, Assistant Director for Children and Family Services, gave an update on child and family service provisions. She mentioned that as Ms. Mullins stated before, they have started their staffings. The Family Advocates and Home Visitors are developing goals for the families. We have had parent interest surveys completed. The Family Advocates have been putting together packets so we can meet the needs of their interests as well as our family goals for the program year. We have pulled from their interest to offer program and trainings here that they have indicated they would like. Regina Cantrell will talk more about that later as well as from Lindsey Sturgill. We are trying to get ready for our review, which is of a very different nature this year.

- Nutrition Services: Junior Rose, Nutrition Specialist, presented the Nutrition Services report for September 2014.

Visits to Kaseyville	Children from 4 full-year classrooms, 11 part year classrooms, 3 toddler classrooms, 12 home based classrooms
Home Base Lunch	Children-107, Adult-148
Adults/Classrooms	1,201
Breakfasts	2,873
A.M. Snacks	1,517
Lunches	4,634
P. M. Snacks	4,381
Fields Trips	4 full-year classrooms, 11 part year classrooms, 3 toddler classrooms, 12 home-based classrooms
Total Attendance	4,667

- Enrollment and Attendance: Lisa Bentley, Family Services MIS Manager, presented the enrollment and attendance report for September 2014. Ms. Bentley distributed the ERSEA report. We started September right at the 85% mark. We hope that stays the same or goes up the rest of the year. Mr. Sturgill asked if there were any centers struggling. Ms. Bentley stated that there were a couple that fluctuates by gaining and then losing. However, the total balances. It was asked of Ms. Bentley why we were losing kids. She said that school pre-k class is one of the reasons. Mr. Edwards mentioned that fully enrolled children in Kids Central centers since September are being actively recruited for a program that is supposed to serve unserved children. They are pulling them out of our program. This is a fact, and there is nothing we can do about it. We have done all of the recruitment we can do, created incentives like Kasey's Academy, everything we can do to combat losing children to pre-k. It happens every year. Teresa Blair, Family Advocate, just lost a child out of one of her centers that had been in the program for quite a while at a full year center to the school pre-k program. This child's sibling is still in one of our

centers. Ms. Blair mentioned that this particular child had been with us since Early Head Start. The dad was also a Head Start child. Mr. Sturgill asked if this happened in both Dickenson and Wise County. Ms. Blair affirmed that this was the case with Kids Central losing one in Dickenson County last week to pre-k. Mr. Edwards stated that in December, we would have a plan that says we actually reduce our Head Start enrollment and increase our Early Head Start. The funds are available. It is still on the table that this is the direction that Head Start is going. You cannot pick up the paper and not read about people wanting a universal pre-k. The state grabbing as many of the four-year-olds as they can is the case. We just need to be prepared as a company, be in a position to absorb all of the three-year-olds out there. The school system will not offer services to a three-year-old. But, they will take your four-year-old in a pre-k class. We will continue this initiative, and in December, we will get a report that will say we need to go for this in our budget for next year when we present. We will reduce our enrollment and increase our Early.

- Family Engagement: Lindsey Sturgill, Family Engagement Specialist, gave the Family Engagement Services report. Ms. Sturgill reported that movie night at the Drive In was a huge success. We will be taking a Kasey's Academy trip to Ripley's Aquarium with 140 people on Friday. She also reported a recruiting event on Halloween. Many of our staff will come outside the classroom just for Trunk or Treat in Dickenson County from 5:00 – 8:00 p.m. and at our Esserville Center from 4:00 – 6:00 p.m. Many younger kids are out early; so, we will offer the Trunk or Treat early. Employees will decorate trunks and let the families vote on the best display, who will win a basket of goodies. We hope it will be a successful event. While trying to increase male engagement, we are embarking on special events outside the classroom for father figures. Our first event is on November 13. We need a good speaker such as a former Head Start dad to speak to the dads about what it is like to be a Head Start dad. This event is at Mr. Gatti's in Wise. We will invite the dads out, have a good speaker, and put on a football game so they can fellowship together. I would like to speak with you on the Christmas meeting with the Policy Council. We thought about changing the venue from Celebrate. She asked about going to the Inn in Wise. Ms. Sturgill received several positive comments supporting this move. She thought it would be exciting to see the Inn and take pictures. Ms. Sturgill asked approval to seek a date with the Wise Inn for our December combined meeting. She mentioned Mr. Edwards wanting to have the dinner as early as we could to work around the weather and stay away from busy Christmas activities. Mr. Sturgill agreed this was a great idea. Ms. Sturgill said that Celebrate had always treated us like royalty, and we have never had any problems with them, but we could use a change of venue.

- Health Services: Regina Cantrell, Health Services Specialist, presented the Health Services report. Ms. Cantrell said she was pleased to report that Health Services had experienced a very progressive month. They have been super busy. All of the children have been screened for hearing and vision. Referrals have been made. There are a few new enrollees. Jennifer and she will be picking those children up and completing their hearing and vision in the next couple of weeks. Kids Central in partnership with Smile Virginia provided dental examinations, cleanings and fluoride treatments to 158 of our children. We have helped several of our children establish a dental home, which is the ultimate goal of Kids Central for each of the children that we serve. Jennifer Owens and she are working on heights and weights for each of the children so that the data gathered can be entered into Promise, our computer database. A growth chart will be

generated for each child. We have been following up on physicals and immunizations records to be certain we are remaining in compliance with Kids Central and Virginia's standards. She is also excited to report that Health Services is now offering to our parents First Aid and CPR classes. We have had the first CPR class this month and are planning another one in November. Mr. Sturgill asked how many were in the CPR class. Ms. Cantrell stated she thought there were twelve in the class, but can hold 15. Terry Gentry noted that Regina had received her Trainer certification in First Aid and CPR. Now, they can start having classes of 20 individuals. Lindsey Sturgill mentioned that more have shown interest in the class, and we had several fathers to take the class and more to show interest. Ms. Cantrell mentioned that we could provide the class in both Wise and Dickenson Counties. Ms. Blair mentioned that she had 30 individuals to show interest in the class from her caseload alone. Ms. Sturgill mentioned that we have never had this level of interest before.

- Human Resources: Valerie Lee, Human Resources Specialist, reported the items needing a vote on several changes to our personnel were:
 1. the September 29, 2014, resignation of Classroom Assistant Driver Kirasten Clark, who was at our Appalachia 1 Center,
 2. the October 15, 2014, hire of Courtney Sexton for the open Substitute position, and
 3. the resignation of Education Supervisor Misty Hill, whose expected last day on the job is October 31, 2014.

Motion by Harry Childress to approve the personnel changes as presented.

Motion seconded by Thomas Williams.

Motion carried by unanimous vote.

Ms. Lee mentioned that there are three open positions remaining as of today. Two are the Classroom Assistant/Driver positions at Appalachia I Center, and one is the new opening of the Education Supervisor here in the Administrative Office. We are recruiting for those positions.

OLD BUSINESS

Clintwood Relocation Project and the Kids Central, Inc., Maintenance Update: Darrell Edwards, Executive Director, gave an update on the Clintwood Relocation Project. For those of you who have been in Clintwood, you probably saw our new sign at the new center. You really could not miss the sign. We are proud of the sign. We have received many comments on this sign. I know that it will do the job; people will know where Kids Central is in Clintwood. As far as the building goes, the bathrooms are in; the kitchen is plumbed. We have water and power. The walls are up for the bathrooms and the classroom. They are working now on hanging the new lights. We are putting LED lights in, getting rid of the old fluorescent fixtures that have been there. We had to put down a piece of the floor. That is a wrap on the center other than just cleanup. Then, we go into licensing. The good news is that Thursday when Lindsey and he were making the rounds to shoot the introductory video for our conference coming up in March, we met with the director of People Incorporated. As an aside, she mentioned she heard we were moving. We affirmatively replied we were. We have not tried to hide that fact. She asked me

why we were moving. Mr. Edwards told her because of visibility and better management and less rent. There are no hard feelings between People Incorporated and Kids Central, as we had designed. We did not want there to be. They are okay with that. What I told her was when we had a date for the movement and licensing completed, we would give them a 30-day notice before we left. The director said that she was fine with that. As far as our relationship with People Incorporated goes, we are in good relations. Mr. Edwards invited the Board Members to stop by the new center. We have been over there every day for the past two weeks. Ms. Lee mentioned that since the sign has been up, we are getting calls and emails about employment opportunities. The new location is helping our employment recruitment. Mr. Edwards said he thought the move was good all around. Good visibility was proven in Pound, which was an awesome move. We hope to continue to do things such as this. If we are going to operate for kids, people have to know who we are, that we are a player. Our new phone numbers are on the signs. Mr. Edwards mentioned that all he had to do was get Kasey Kangaroo on the sign.

Dickenson County Freedom of Information Act Request: Darrell Edwards, Executive Director, gave an update on the FOIA request. At the last meeting, we talked for several minutes about how we asked Dickenson County for an accounting of funds used for the Dickenson County Child Care Center. This came about because of our situation in trying to state a case that we have been supporting of the center since before it was opened. Kids Central had actually lost some assets in this as we gave up a center and donated it to Clintwood High School for them to use, as we did not want to move it. We have also paid them a little over \$400,000 in rent fees in ten years. The funds that David Belcher told us about in our last meeting, we estimated the county had paid to People Incorporated around \$1,000,000. We found that they did pay that much. We have their accountings through the FOIA request, the lease agreements, and their accounting. They initially spent \$250,000 to equip the center. Over the course of ten years, they have paid them payments every year to the equivalent of \$1.2 million. We have paid them \$400,000. That is a lot of money. This FOIA request is in my office if anyone wants to see it. David Belcher has a copy of it. We have no axe to grind, and we are not going to the County Board of Supervisors to do anything. We have enjoyed the ten years that we have been there. The kids have had a ball. The center has served us well. However, it is time to move on and sever our relationship with People Incorporated. I hope that we are all communicating it that way.

Head Start Five-Year Grant Cycle: Darrell Edwards, Executive Director, updated the Board Members on the status of the five-year grant. He reported this is good news. Over a year ago, Mr. Edwards stated he came to the Board Members asking for a vote of confidence with the following information: Head Start is offering us a five-year grant, and all we have to do is fill out the papers, and we can get in on this thing on the ground floor. The Board Members agreed, and we did it. We did not know if we got the distinction or not. We went all of this time assuming that we did not get it, as we had never been notified. Now that this is our grant review year in October, they can come any time they want to, and we are ready. Come to find out, we did qualify for that five-year grant cycle. We are in on it. We got in on the ground floor. We did not have to do a 70-page application, as others had to do, simply because we jumped on this thing at the very beginning. We are not going to have the intensive review that we have had over the past. Mr. Edwards distributed a review schedule. They are only going to do one piece of the review every year rather than come in with seven people for one week inspecting. You can see

they will look at our financials, our classes, our health, and safety. This is all included in this report, which he is welcoming as it takes place over a five-year period. We are ready for them to come tomorrow. This schedule will make it easier on everybody involved, especially on the part of the Board Members. Before, the review was a mini-interrogation for those Board Members selected to participate. It is not that way anymore. This is not an interrogation. This is a genuine review, with them coming in to make the best of what they have. Head Start over the years has taken a hit nationwide. We have had two good reviews over the last six years. We intend to continue it that way. I am pleased with this, and proud that we are able to do this. There are only 90+ agencies in the country that got this designation. I am proud of what we have done. You all took a leap of faith when we asked you to do this. We did not know what we were doing. We did not know what the five-year grant cycle was going to be, what it entailed or anything like that. We are in it, and this is the first year of the five-year grant cycle. I am so glad of it. I appreciate you allowing us to do that.

NEW BUSINESS

2014-15 Audit Presentation: Christy Fleming, Comptroller, reported a scheduling conflict with the auditor. Last week, he dropped by the official audit and letter. However, he is not able to attend today. We do not have any findings. Our auditor will go over this in further detail. You will get a copy to look over between now and the next meeting. These are in my office. Mr. Edwards stated that he had to produce the annual report and needed the Board Members to know that the audit was completed. We will get this all done next month.

2013-14 Employee Incentive Award.: Christy Fleming, Comptroller, spoke of last year when the budget was cut. During this budget cut, we struck the incentive from the budget. The good news is that this year based on our enrollment, all full time employees would get a 3% incentive bonus. This will be a separate check paid to employees in November. Ms. Fleming mentioned that she did not have a dollar amount. Last year, it would have been a \$60,000 gross amount.

OMB 2 CFR Part 200 – Super Circular: Darrell Edwards, Executive Director, said he put this item on the agenda to bring all the Board Members up-to-date on the super circular that went into effect December 2013. Non-profits had until December 26, 2014, to implement the changes. We had five people, Tammy Mullins, Terry Gentry, Paula Bates, Christy Fleming, and Valerie Lee, go to a mini-training on the OMB super circular. They did not learn much as you cannot learn this thing in a four-hour work session. It is too huge. Things are going to change, the cost principles related to Head Start, and the requirements for the annual audit are going to change. The idea is to consolidate some of the reports that we have to streamline and cut out paperwork. When it comes to being compliant with all that is required, this is the one being stressed the heaviest at this point. We have time to turn it around. We will be okay. This is not a small grant. It changes the word in this from an unlimited grant to one of an assistance grant. The fact is that they say, “These are the parameters of why we want to give you this money.” Once you sign on the dotted line, you are held to doing what they want you to do. This is a big difference. It leaves you little wiggle room in the grant that they will award. If you say you are going to stay within this budget range, you will have to do this. Mr. Edwards mentioned he is going to a training next month. Christy may want to go to a more expanded one. They call it the Super Circular. It is not just Head Start, but it entails every government agency that receives a grant from the government.

FOR THE GOOD OF KIDS CENTRAL, INC.

1. Mr. Hutchinson asked that the Board Members be given business cards to give out for recruitment. Mr. Edwards offered all the Board Members cards to hand out for recruitment. Mr. Hutchinson continued that he would like to see a comparative analysis of the pre-k program through the school system and that of Head Start showing the benefits and the disadvantages. Mr. Childress mentioned part of the competition between the school system and Head Start is just not knowing these advantages. Perhaps the advantage is in other siblings already being in the school system. Mr. Kendrick mentioned there could be a fear of transition from one program to the next. Mr. Edwards mentioned that Kasey Academy was created so that our four-year-olds would be treated special, especially with two big trips a year to the Knoxville Zoo and the Aquarium. We did this just to keep our four-year-olds. Mr. Edwards mentioned that we have a good relationship with the school system, especially since Dr. Perry worked for that relationship himself. He placed a liaison at our direct disposal, whom we have used numerous times. Dickenson County started out as a very cohesive partner. Mr. Childress said that we did not need to get away from the four-year-olds. He feels that the Ervington area is underserved. Mr. Edwards mentioned that when the Russell Prater School closed, these kids went to Sandlick. We cannot take these children as they are in Buchanan County. The school system can take them. We would have to get special dispensation from Philadelphia to serve a child that is out of our district. Income is the biggest qualifier for us.

Next Meeting

The next scheduled meeting of the Kids Central, Inc. Board of Directors is on Tuesday, November 18, 2014 at 11:00 a.m. at the Corporate Office in Norton, Virginia.

Adjournment

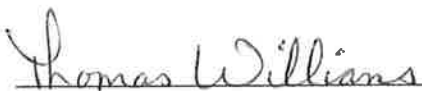
With no further business, Mr. Sturgill called for a motion for adjournment of the meeting.

Motion by Thomas Williams to adjourn the meeting.

Motion seconded by Ron Kendrick.

Motion carried by unanimous decision.

The meeting adjourned at 11:46 a.m.



Thomas Williams
Board of Directors Secretary



Valerie Lee
Recording Secretary