

Early Learning Coalition of Broward County, Inc.
Governance Meeting Agenda
Dec 3, 2024, at 11:30 AM
Zoom Meeting

Meeting ID: 851 5520 3010

Passcode: 920409

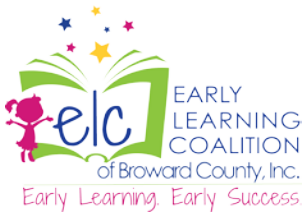
<https://us06web.zoom.us/j/85155203010?pwd=6eNLpSoMPVJ94AsCWesjGvUd8dnuch.1>

Members are reminded of conflict-of-interest provisions. In declaring a conflict, please refrain from voting or discussing and declare the following information: 1) Your name and position on the Board, 2) The nature of the conflict, and 3) Who will gain or lose as a result of the conflict. Please also fill out form 8B prior to the meeting.

		PAGE
1.	Call to Order	Dawn Liberta, Governance Committee Chair
2.	Roll Call	Melody Martinez, Board Liaison
3.	Consent Agenda 1. Approve October 7, 2024, meeting minutes	2 Dawn Liberta, Governance Committee Chair
4.	Regular Business 1. GOV252RB1 – Authorize Amendment to Retirement Plan Loan Policy 2. GOV252RB2 – Approve Updated Proposed Jury Duty Policy 3. GOV252RB3 – Approve Updated Proposed Whistleblower Policy	4 Dawn Liberta, Governance Committee Chair 8 Christine Klima, CAO 10 Judith Merritt, COO
5.	Unfinished Business New Business Matters from the Chair Matters from the Committee Public Comment	
6.	Next ELC Governance Meeting: <u>February 3, 2025</u>	
7.	Adjourn	

Please Note: Agenda is subject to revisions and additions at the discretion of the Chair of the Coalition. Notification will be sent of any such revisions or additions. **Members of the Public:** Please sign up at the entry desk for public comments to be made on any particular agenda items no later than five minutes after the Coalition meeting has been called to order.

“As per [§286.0105, Fla. Stat.](#) Any person who decides to appeal any decision of the Board with respect to any matter considered at this meeting will need a record of the proceedings and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.”



Early Learning Coalition of Broward County, Inc.
Governance Meeting Minutes
Oct 7, 2024, at 11:30 AM
[Zoom Meeting](#)

Members in Attendance	Chair Dawn Liberta; Michael Asseff; Carol Hylton; Renee Podolsky; Dr. Amoy Reid
Members Absent	Kirk Englehardt; Laurie Sallarulo
Staff in Attendance	Judith Merritt, COO; Christine Klima, CAO; Melody Martinez, Board Liaison;
Others in Attendance	Julie Klahr, Legal Counsel

Item	Action/Discussion
Welcome & Call to Order	Chair Dawn Liberta called the meeting to order at 11:32 AM. The roll was called, and a quorum was established.
Consent Agenda 1. Approve May 2, 2024, meeting minutes	A Motion was made by Carol Hylton and Seconded by Michael Asseff to approve the Consent Agenda. The motion was Unanimously Approved. Motion Passes.
Regular Committee 1. GOV251RB1 – Approve Change of Name for 403b Responsible Plan Fiduciary to Early Learning Coalition of Broward Count, Inc. Board of Directors	<p><u>Approve Change of Name</u></p> <p>Christine Klima, CAO shared 403B Retirement Plan Responsible Plan Fiduciary Name.</p> <p>There was a discussion on the Fiduciary name. Carol Hylton suggested that the CEO be named the primary plan administrator and that Christine Klima be the secondary administrator added to the document when it goes to the board. Carol Hylton also suggested putting something in place so that when there is a change in leadership, it's caught at that time to be updated and not go back.</p> <p>A Motion was made by Dr. Amoy Reid and Seconded by Michael Asseff to Approve Changes of Name for 403B Responsible Plan Fiduciary to Early Learning Coalition of Broward County, Inc. Board of Directors Effective October 15, 2024, with the change that Carol stated where it states CEO as administrator to the document. The motion was Unanimously Approved. Motion Passes.</p>
2. GOV251RB2 – Approve Amendments to ELC Employment Application, Background Checks, Drug Testing and Employee Arrests Policy and the CJIS Policy & Procedure Manual	<p><u>Approve Amendments</u></p> <p>Judith Merritt, COO, went over the updates to the Employment Application, Background Checks, Drug Testing and Employee Arrests Policy</p> <p>A Motion was made by Michael Asseff and Seconded by Dr. Amoy Reid to:</p> <ol style="list-style-type: none"> 1. Approve updates to the Employment Application, Background Checks, Drug Testing and Employee arrest Policy 2. Approve the CJIS Policy & Procedure <p>The motion was Unanimously approved. Motion Passes.</p>

3. GOV251RB3 – Approve Amendments to ELC 5 Year Strategic Plan	<p><u>Approved Updated 5 Year Strategic Plan</u></p> <p>Judith Merritt, COO, presented the updated five-year strategic Plan changes and went over the changes to Goal 7.</p> <p>A Motion was made by Carol Hylton and Seconded by Dr. Amoy Reid to recommend the Board Adopt the updated 5-year Strategic Plan. The motion was Unanimously approved. Motion Passes.</p>
Unfinished Business	None
New Business	None
Matters from the Chair	None
Public Comments	There was no discussion.
Next Meeting	<u>December 3, 2024</u>
Adjourn	Meeting adjourned at 1:20 PM by Carol Hylton.

These minutes contain the action items of the Board meeting of the Early Learning Coalition of Broward. They do not include all of the Committee’s discussions or comments on each matter or issue raised during the meeting. A tape recording of the meeting is held in the Coalition office. Corrections from the Committee will be taken before approval at the next meeting.

DRAFT



ITEM #/MEETING:	GOV252RB1 / Governance Committee
MEETING DATE:	December 3, 2024
SUBJECT:	Amendment to ELC 403B Retirement Plan Participant Loan Policy
FOR ACTION:	YES
RECOMMENDED ACTION:	Recommend that the Board Authorize Amendment #1 to the ELC Retirement Plan Participant Loan Policy Effective January 1, 2025, pending review by ERISA legal counsel
FINANCIAL IMPACT:	None
AS RECOMMENDED BY:	NA
ELC STAFF LEAD	C. Klima

Background

At the recommendation of the Klausner Group, ELC’s legal counsel specializing in retirement plan compliance, and Citrin Cooperman, LLP, the CPA firm that conducted ELC’s most recent retirement plan audit, staff propose amending the loan policy that is currently in effect for ELC’s 403B Retirement Plan (the Plan) to improve compliance and manage risk for ELC and its employees. This action is part of the ELC’s on-going effort to prepare the Plan for transfer to a new service provider platform in 2025.

Like most non-profit or educational entities, ELC allows Plan participants to take out loans to attract more staff participation in the Plan to save for their retirement. The IRS regulates the amount and term of 403B Plan Participant loans and Corebridge Financial (formerly the Variable Annuity Life Insurance Company “VALIC”) processes and services the loans on behalf of the Plan in accordance with ERISA legal requirements. 403B loans offer employees access to funds without a credit check and have favorable terms compared to other loans, but they can also create unexpected tax events or generate stiff penalties when they aren’t repaid timely.

As the Plan Sponsor, the ELC is responsible for setting loan policy (within the above legal limits), for monitoring the amounts and status of participant loans and for ensuring that Corebridge Financial takes appropriate action when loans become delinquent or defaulted. Since the Plan’s inception in 2002, ELC has used the standard loan policy document provided by Corebridge (VALIC). While no compliance problems with loans have been identified in any of our Plan audits thus far, we noted the following key statistics about the 41 currently outstanding accounts that have potential for risk to ELC and its employees:

- 60% of the loans are either delinquent or in default status.
- 30% of the borrowers have 2 or more loans, and more than half of them are behind in their payments or in default.
- 10% of the loans belong to former employees, some of which originated before the employee was fully vested or after the employee was terminated.

Loans that are delinquent or defaulted must be monitored to ensure they are “deemed” timely as the IRS requires and multiple delinquent loans or loans to former employees create an administrative burden and increased compliance risk to the Plan.

Current Status

In order to continue providing the flexibility to access funds to employees without incentivizing poor financial decision-making or creating undue risk for the ELC, staff propose adding the following limitations to our standard loan policy effective on the first day of the next plan year January 1, 2025 pending review by ERISA legal counsel:

- Only active employees may apply for plan loans.
- Employees may have a maximum of two (2) loans at one time.
- Employees that have loan(s) in delinquent or default status may not apply for another loan until the delinquency or default is rectified and the loan is fully repaid or deemed.
- Employees may only apply for loans against vested funds.

Recommendation

Governance Committee recommend that the Board authorize Amendment #1 to ELC 403B Retirement Plan Participant Loan Policy, effective January 1, 2025, pending review by ERISA legal counsel.

Supporting Documents

- Existing Loan Policy Adopted in 2002 at Plan Inception

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
2929 Allen Parkway
Houston, Texas 77019

ERISA LOAN ENDORSEMENT

I. APPLICABILITY

This Endorsement applies only to loans granted or renewed after delivery of this Endorsement under VALIC annuity Contracts or Certificates sold under retirement plans covered by the Employee Retirement Income Security Act of 1974, as amended (ERISA). This Endorsement is made a part of the Contract or Certificate to which it is attached and will not change any other provisions of the Contract or Certificate.

II. DEFINITIONS

Adjusted Surrender Charge – the Reserved Surrender Charge, reduced pro rata by Loan Balance repayments.

Defaulted Loan Amount – the Loan Balance, plus the interest on any delinquent quarterly payments.

Employer – the employer who sponsors the Plan under which the Contract or Certificate is maintained.

Foreclosure Amount – the Defaulted Loan Amount, plus Adjusted Surrender Charge.

Loan Balance – the principal loan balance outstanding at any given time.

Loan Year – a one-year period beginning on the effective date of the loan and on subsequent anniversaries.

Participant – the individual to whom a loan is made.

Plan – the employer-sponsored retirement plan or annuity purchase arrangement under which the Contract or Certificate was issued.

Qualified Plan – as used herein, employer-sponsored plans intended to meet the requirements of sections 401(a), 403(a), 403(b), or 457(b) of the Internal Revenue Code of 1986, as amended.

Reserved Surrender Charge – the Contract surrender charge that would apply as if the Loan Balance had been surrendered at the start of the loan term.

Security Reserve – the portion of cash value held in reserve as security for the loan, made up of the Loan Balance, the loan interest due with a quarterly loan

payment, the Reserved Surrender Charge, if applicable, and all interest credited to the foregoing amounts.

III. AMOUNT OF LOAN

The availability and amount of a loan are subject to any applicable restrictions in the Plan and federal tax law. Both fixed and variable investment options, if applicable, of the contract value will be considered for purposes of determining the amount that qualifies for a loan. However, only the nonforfeitable portion of a fixed investment option may be used as security for a loan. Such portion must equal or exceed the initial Security Reserve.

A loan, when added to the Participant's existing indebtedness under the Plan or any other Qualified Plan sponsored by the Employer, cannot exceed the lesser of \$50,000 or 50% of the present value of the Participant's nonforfeitable accrued benefit under all such plans of the Employer. However, the \$50,000 limit may be reduced by the excess, if any, of (a) the highest outstanding balance of loans from such plans during the one-year period ending on the day before the date on which the loan is made, over (b) the outstanding balance of loans from the plans on the date on which such loan was made.

VALIC may from time to time establish minimum loan amounts and limits on the number of loans permitted to be outstanding at any given time. VALIC also reserves the right to assess at the time of loan application a loan processing fee of up to \$75.

IV. TERMS OF LOAN

VALIC may make loans to the Participant at any time before annuity payments begin or before the Participant has reached age 75. The loan, plus interest, will be repaid in equal amortized quarterly payments due on the last day of each quarter of each Loan Year.

The loan must be repaid within ten years if used to buy the Participant's principal residence. It must be repaid within five years if used for any other purpose. The loan may be repaid in full or in part before the Contract or Certificate is surrendered or annuity payments begin.

V. LOAN INTEREST RATE

The loan interest rate is an adjustable rate and will be determined by VALIC for each calendar quarter and will apply for twelve months to new loans made in that quarter and to outstanding loans whose loan anniversaries occur in that quarter. Each such loan interest rate so determined will not exceed the Monthly Average of the Composite Yield used in Seasoned Corporate Bonds, as published by Moody's Investors Service, Inc., for the calendar month ending two months before the date on which the rate is determined. If this Average is no longer published, the rate used in its place will be that set by law or by regulation of the insurance supervisory official of the state in which the Contract or Certificate is issued.

If the maximum rate of interest that can be charged for a loan for a twelve-month period as determined in accordance with the preceding paragraph is one-half percent or more lower than the rate charged for the preceding twelve-month period, the loan interest rate for the current twelve-month period will be decreased, so as to be equal to or less than that maximum rate. Conversely, if that maximum rate is one-half percent or more higher than the rate charged for the preceding twelve-month period, the loan interest rate for the current twelve-month period may be increased, but not to exceed the maximum rate.

VALIC will notify the Participant of the initial rate of interest on the loan requested. VALIC will send to Participants written notice of any change in their loan interest rate at least 30 days before the loan anniversary. These notices will include a description of how this interest rate is determined.

The policy loan interest rate shall not exceed the adjustable maximum rate permitted by law and is subject to any applicable usury limitation.

VI. SECURITY FOR LOAN

The Security Reserve as defined above provides the security for the loan. No withdrawals or transfers from the Security Reserve may be made until the loan is fully repaid or foreclosed upon.

VII. EFFECTS OF LOAN BENEFITS

Until the loan is defaulted or repaid, the portion of the Security Reserve in the amount of the Loan Balance and accumulated loan interest thereon will earn an annual effective interest rate equal to 3% below the adjustable interest rate charged for the loan. An annual effective interest rate, as declared by VALIC's Board of Directors, will be credited on the portion of the Security Reserve in excess of the Loan Balance and loan interest thereon. However, in no event will any portion of the Security Reserve earn an interest rate lower than the minimum guaranteed rate credited under the Contract or Certificate.

Upon annuitization, surrender or death, the annuity value, cash value or the death benefit, as applicable, will be reduced by the Foreclosure Amount.

VIII. LOAN DEFAULT

If a loan payment is not made within 30 days after the due date, the loan is in default and the Defaulted Loan Amount will become due and payable to VALIC. The Defaulted Loan Amount will be treated as a distribution under federal tax law and will be reported on an applicable tax reporting form. (Caution: Such a distribution before age 59½ may result in a tax penalty.) After default, the portion of the Security Reserve in an amount equal to the Loan Balance and loan interest thereon in the Security Reserve will earn interest at a rate equal to the adjustable interest rate charged on the loan until the loan is repaid or VALIC is permitted to foreclose on its Security Reserve to the extent of the Foreclosure Amount.

IX. LOAN FORECLOSURE

If the loan is not repaid, the Foreclosure Amount will be deducted from the Security Reserve and paid to VALIC. If any portion of the Security Reserve may not be withdrawn because of tax or Plan restrictions, foreclosure on the Security Reserve will not occur until such restrictions no longer apply. The Adjusted Surrender Charge, if applicable, will be calculated at foreclosure. Any Security Reserve in excess of the Foreclosure Amount will remain credited to the Contract or Certificate.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY



(Secretary)

ITEM #/MEETING:	GOV252RB2 / GOVERNANCE Committee
DATE:	December 3, 2024
SUBJECT:	Update to
FOR ACTION:	Yes
RECOMMENDED ACTION:	Recommend the Board approve the revised Jury Duty Policy
FINANCIAL IMPACT:	None
ELC STAFF LEAD	J Merritt

Background

ELC's are required to update its Policies and Procedures/Employee Handbook annually to adhere to any changes or updates included in DEL's Grant Agreement. While conducting this review ELC also reviews any other Statutes, Laws etc. to ensure compliance. Regarding the Jury Duty Policy, ELC reviewed the Broward County Clerks website to ensure we are complying with their Jury Duty Compensation standards. We found that the Broward County Clerk Juror Compensation was more prescriptive, so have updated our Policy.

Current Status

Below is the language from our Current Jury Duty Policy along with the Proposed Jury Duty Policy. The changes have been reviewed by our General Counsel prior to presenting them to the Governance Committee.

Current Jury Duty Policy

Early Learning Coalition of Broward County, Inc. realizes that all U.S. citizens must serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service and to report to work for the major portion of the day if excused by the court. If the required absence presents a serious conflict for management, employees may be asked to try to postpone jury duty.

The ELC will grant leave for jury and/or witness duty to any full-time or part-time employee who has been notified to serve. During this leave, employees will be compensated by payment of an amount equal to the difference between their jury duty pay and their regular salary. An employee on jury duty is expected to return to work any day, or partial day he or she is excused from jury duty. Employees must furnish both a copy of the jury summons as well as a copy of the clear from duty letter for all jury duty summons.

Proposed Jury Duty Policy

Early Learning Coalition of Broward County, Inc. supports employees' obligations to fulfill their civic responsibility of serving on a jury when summoned. All employees will be allowed leave to report for jury duty and serve as a juror or on a venire panel as the law requires. However, employees are expected to provide proper notice to the ELCBC by submitting a copy of the jury duty notice upon receipt from the state or federal court of an obligation to serve on a jury to their supervisor and human resources. Any changes to the date that the employee is required to report for or serve jury duty shall also be reported by the employee to their supervisor and human resources once the employee becomes aware or receives such information from the court. ELCBC will confirm the information provided by the employee with the court and make the necessary scheduling adjustments to accommodate the employee's absence from work.

If the jury duty goes beyond the initial notice to serve and the employee is selected to serve on a jury, the employee must provide additional court documents to verify his or her service.

Full-time employees will be granted paid jury duty leave, minus any compensation from the court, for up to five regularly paid workdays each calendar year. Jury duty absences in excess of five workdays will be considered for pay under this policy on a case-by-case basis.

Employees are also expected to inform management of the expected length of jury duty service at the earliest opportunity once this information is provided by the court. Employees are required to report to work for the remainder of the day if excused by the court if there are 4 hours remaining in the workday.

Recommendations

The Governance Committee recommend the Board approve the revised Jury Duty Policy.

Supporting Documents

- Website: [Jury Services - Broward County Clerk of Courts](#)

ITEM #/MEETING:	GOV252RB3 / GOVERNANCE Committee
DATE:	December 3, 2024
SUBJECT:	Update to
FOR ACTION:	Yes
RECOMMENDED ACTION:	Recommend the Board approve the revised Whistleblower Policy
FINANCIAL IMPACT:	None
ELC STAFF LEAD	J Merritt

Background

ELC’s are required to update its Policies and Procedures/Employee Handbook annually to adhere to any changes or updates included in DEL’s Grant Agreement. While conducting this review ELC also reviews any other Statutes, Laws etc. to ensure compliance.

Current Status

Below is the language from our Current Retaliation (Whistleblower) Policy along with the Proposed Whistleblower Policy. The changes have been reviewed by our General Counsel prior to presenting them to the Governance Committee.

Current Retaliation Policy (whistleblower)

This policy establishes guidelines for ensuring that ELCBC employees are protected from retaliation resulting from the reporting of violations or alleged violations of ELCBC policies and procedures or applicable Florida and federal statutes and rules. It is the policy of the ELCBC to ensure that every employee at the ELCBC is protected against retaliation resulting from the reporting of violations or alleged violations of ELCBC policies and procedures or applicable Florida and federal statutes and rules. Anyone who retaliates against an employee who reports an alleged violation is him/herself in violation of the ELCBC’s policies and shall be subject to discipline, up to and including termination. Any complainant who believes he or she is being retaliated against as a result of a good-faith report of a violation of ELCBC policies should immediately bring such matter to the attention of Human Resources. In the event the employee has been classified as a “whistleblower” in accordance with applicable federal and/or state law, the employee shall look to the ELCBC’s Whistleblower’s policy which acquiesces to the obligations outlined in the current grant agreement.

Proposed Whistleblower Policy

This policy establishes guidelines for employees to report an activity that they consider illegal or dishonest to one or more of the parties specified in this policy. An employee who reports such information may be referenced as a whistleblower, which is done in this policy solely to identify the person to which the policy applies. The whistleblower is not responsible for investigating the activity or determining fault or corrective measures; appropriate management officials are charged with these responsibilities. If you have any questions regarding this policy that are not addressed in this policy, please contact the Human Resources Department.

Examples of illegal or dishonest activities are violations of federal, state, or local laws; billing for services not performed or goods not delivered; and other fraudulent financial reporting.

If an employee knows of or is concerned about illegal or dishonest, fraudulent activity, he/she should contact his/her immediate supervisor or the Director of Human Resources. The employee must exercise sound judgment to act in good faith under this policy and refrain from reporting false or baseless allegations. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated. This policy is not intended to restrict communications or actions protected or required by state or federal law. Nor is it intended to preclude or dissuade employees from engaging in activities protected by state or

federal law, such as discussing wages, benefits, or terms and conditions of employment, or legally required activities. However, an employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two critical areas -- confidentiality and against retaliation. As far as possible, the confidentiality of the whistleblower will be maintained. However, (if known) a whistleblower's identity may have to be disclosed to conduct a thorough investigation, comply with the law, and provide accused individuals with their legal defense rights. ELCBC shall not retaliate against an employee for reporting violations of law, rule, or regulation that create and present a substantial and specific danger to the public's health, safety, or welfare. Furthermore, the ELC shall not retaliate against any person who discloses information to an appropriate agency alleging improper use of a governmental office, gross waste of funds, or any other abuse or gross neglect of duty by any agency, public officer, or employee. Employees and other persons may file a complaint with the Office of the Chief Inspector General for the State of Florida, the Florida Department of Education's Inspector General, or the Florida Commission on Human Relations or the Whistleblower's Hotline number at 1-800-543-5353.

This includes, but is not limited to, protection from retaliation in the form of adverse employment actions, such as termination, compensation decreases, poor work assignments, and threats of physical harm. Any whistleblower who believes they are subjected to any conduct that is believed to violate this policy or is otherwise being retaliated against they must contact the Director of Human Resources immediately. The complaint filed should be as detailed as possible, including the names of all individuals involved and any witnesses. ELCBC will directly and thoroughly investigate the facts and circumstances of all perceived retaliation and will take prompt and appropriate corrective action. Any manager or supervisor who observes retaliatory conduct must report the conduct to the Director of Human Services so that an investigation can be made and appropriate corrective action taken.

Recommendations

The Governance Committee recommend the Board approve the revised Whistleblower Policy.

Supporting Documents

- None