

**FIRST 5 VENTURA COUNTY  
ADMINISTRATION/FINANCE COMMITTEE  
MINUTES**

**May 5, 2017**

Present: Commissioner Mantooth, Pamela Grothe, Kara Ralston, Joe Richards

Staff Present: Petra Puls, Jennifer Johnson

**I. Call to Order/Welcome/Introductions**

Commissioner Mantooth began the meeting at 10:05 a.m.

**II. Approval of Minutes from April 7, 2017**

**A motion was made by Kara Ralston, seconded by Joe Richards, to approve the minutes from the April 7, 2017 meeting. The motion carried unanimously.**

**III. Approval of Agenda**

**A motion was made by Pamela Grothe, seconded by Joe Richards, to approve the agenda. The motion carried unanimously.**

**IV. Public Comments**

There were no comments from the public.

**V. Recommendation to Approve FY 2017-18 Annual Budgets**

Jennifer Johnson presented the proposed budgets for FY 2017-18. Jennifer stated that the proposed budgets are reflective of the second funding year of the new Strategic Plan and of the programmatic funding levels the Commission has approved. Jennifer reviewed the overall Operating budget, inclusive of the Operating Fund and the Community Investment Loan Fund. She highlighted revenue projections for Prop 10 tax distributions and leveraged funding. She discussed the utilization of the fund balance and the Commission's Sustainability Fund, stating that \$5.4 million is anticipated to be used in FY 2017-18 to maintain program services. Proposed expenditures are based on the approved funded partner allocations, estimated carry over of unspent funds, leveraged funds, new challenge grants, and the Commission's internal budget areas. Referring to the updated version of the assumptions document, Jennifer stated that they reflect refinements for services and supplies based on rate increases, historical usage, and anticipated needs. Jennifer reviewed the budget assumptions for the internal budgets, pointing out that the methodology for allocation costs between internal cost centers has been updated based on "budgeted" full-time equivalents (FTEs), rather than "regular" FTEs to account for grant-funded/temporary projects portion of shared operating/office expenses. She advised that overall cost estimates are very similar to last year's budget, with most line items having minor rate increases. Jennifer summarized the proposed staffing pattern and explained modifications for FY 2017-18.

Jennifer proceeded to review the Administration, Program Management & Community Initiatives, Results-Based Accountability (RBA) and Equipment budgets. She summarized these budgets, highlighting the variances and providing explanations as to the proposed budgeted amounts.

Jennifer reported that the Commission is required to present the proposed budget for review and input to the County Board of Supervisors and the Community Commission of Ventura County.

The operating budget shall be the final budget if there are no substantive comments by the Community Commission of Ventura County and the Board of Supervisors after their reviews.

**There was a motion made by Kara Ralston, seconded by Pamela Grothe, to approve the FY 2017-18 budgets. The motion carried.**

#### **VI. Recommendation to Approve Updated Financial Plan**

Jennifer Johnson presented the long-range financial plan that has been updated as part of the budgeting process. Jennifer highlighted updates to the current plan, reviewing the assumptions for revenue and expenditure projections and indicated that the plan reflects a forecast for FY 2016-17 and the proposed budget for FY 2017-18. She stated that the plan forecasts Prop 10 revenues declining at a rate of 5.25% for FY 2016-17 based on current trend information and the typical rate of 4% decline for each subsequent fiscal years with projected interest earnings at 0.75%. Jennifer noted Prop 10 revenue projections and interest earnings are doing better than expected since the last update to the plan in May 2016. She indicated that the plan proposes \$53.5 million in total funding dollars for FY 2016-17 thru FY 2020-21. Jennifer reported that the plan utilizes \$1 million from the updated forecast of Prop 10 distributions, interest earnings, and projected unspent funds from FY 2015-17 and proposes these available resources be utilized to increase from a \$7 million to a \$7.5 million spending level annually for years four and five. The proposed plan also allocates \$400,000 to Challenge Grants, beginning in FY 2017-18. Jennifer noted that the plan has been extended to add projections for 5 additional years. She indicated the plan maintains a Community Investment Loan Fund at \$1,300,000 for revolving loans. She stated the plan transfers Sustainability funds to the Operating Fund to sustain program funding levels. She ended her overview by noting that this fund takes us through FY 2019-20, when it is depleted.

**A motion was made by Joe Richards, seconded by Kara Ralston, to approve the updated Financial Plan. The motion carried unanimously.**

#### **VII. Recommendation to Approve Administrative Cap for FY 2017-18**

Jennifer Johnson stated that county commissions are required to adopt a policy establishing a limit on the percentage of the Commission's operating budget that may be spent on administrative functions. Jennifer referred to the formal policy on administrative costs. She stated that the cap is set on an annual basis. The staff recommendation for FY 2017-18 is to maintain the targeted administrative cap of 5.5% of the total operating budget. Jennifer referred to the administrative cost policy and, following the review of the policy, stated that no changes are necessary at this time.

**There was a motion made by Pamela Grothe, seconded by Joe Richards, to approve the administrative cap of 5.5% for FY 2017-18. The motion carried.**

#### **VIII. Recommendation to Implement Salary Parity Adjustment for Staff Hired Prior to July 1, 2016**

As discussed last month, Jennifer Johnson stated that salary ranges were reviewed and updated in July 2016 to align with market rates. Jennifer Johnson advised that historically, the Commission's salary ranges were set at lower than market rates. While some minor changes had been made incrementally, in 2016 the ranges were adjusted to fully align with market rates. Upon conducting research on salaries from comparable agencies and organizations, and analyzing salaries for all employees, a disparity was identified between existing staff with multiple years of service and recent hires brought in using the new ranges. To correct this imbalance, staff is recommending that a cost of living adjustment (COLA) be implemented based on the Consumer Price Index (CPI) between July 2014 and July 2016, which is 5.0%. This adjustment would be retroactive to July 1,

2016 consistent with the adoption of the new ranges. Jennifer reviewed the budgetary impact noting it would not exceed \$23,000.

The Committee discussed various considerations and recommended that rather than a COLA, a one-time parity adjustment retroactive to July 1, 2016 and not to exceed \$23,000, be implemented for staff hired prior to July 1, 2016 that is based on staff review of the research conducted, and in recognition of inflation, based on Executive Director approval.

**A motion was made by Joe Richards, seconded by Pamela Grothe, to approve the proposed one-time parity adjustment with the changes discussed. The motion carried unanimously.**

**IX. Review of Financial Reports as of March 31, 2017**

Jennifer Johnson presented the financial statements of March 31, 2017. Jennifer referred to the balance sheet, statement of revenues and expenditures, and the expenditure report. She gave an overview of the statements and the report, providing explanations as to variances.

**X. Update on Commission Activities**

Petra Puls referred to the April 2017 Report from Commission Staff. Petra provided an update on staffing. She reported that a Request for Proposals has been released to identify a consulting firm to conduct the Pay for Success Feasibility Study under the grant received from VCOE and the Federal Department of Education. She concluded her report with an update on the Take 5 and Read to Kids event that will occur the entire month of May.

**XI. New Business/ Miscellaneous**

There was no new business to discuss.

**XII. Closure**

Commissioner Mantooth closed the meeting at 11:19 a.m.

**XIII. Next Meeting**

Next Meeting: **Friday, June 2, 2017**, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County.