

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

May 18, 2018

Present: Commissioner Mantooh, Joseph Richards

Staff Present: Petra Puls, Jennifer Johnson

I. Call to Order/Welcome/Introductions

Commissioner Mantooh began the meeting at 9:40 a.m. Since there was not a quorum, information was reviewed, but action was not taken on any items.

II. Approval of Minutes from April 6, 2018

The minutes will be carried forward to the next meeting for approval.

III. Approval of Agenda

The agenda was accepted by consensus.

IV. Public Comments

There were no comments from the public.

V. Review of Financial Reports as of March 31, 2018

Jennifer Johnson presented the financial statements of March 31, 2018. 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.

VI. Recommendation to Approve FY 2018/19 Annual Budgets

Jennifer Johnson presented the proposed budgets for FY 2018/19. Jennifer stated that the proposed budgets are reflective of the third funding year of the current 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 \$7.25 million is anticipated to be used in FY 2018/19 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 allocating shared operating costs is based upon budgeted full-time equivalents (FTEs) within each internal cost center. 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 2018/19.

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.

VII. 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 2017/18 and the proposed budget for FY 2018/19. Jennifer reviewed the assumptions used for projecting Proposition 10 tax distributions that take into account the one-year delay in backfill from Proposition 56. Jennifer stated that interest earnings are projected at 2.40%. She indicated that the plan proposes \$49.1 million in total funding dollars for FY 2016/17 thru FY 2020/21, of which \$2.9 million is leveraged from external funding sources. She noted that this plan reflects the Commission's action at the April 2018 meeting to implement a funding level of \$6.5M for the next two fiscal years and a \$5.3M forecasted spending level in subsequent years. The plan maintains the revolving Community Investment Loan Fund at \$1.3 million and utilizes the remaining resources from the Sustainability Fund to support programs at their current capacity. The plan maintains the minimum fund balance of 6 months for working capital and \$1 million (or 20%) for a reserve/safety net. The updated financial plan was accepted by consensus of the members present.

VIII. Recommendation to Approve Administrative Cap for FY 2018/19

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 2018/19 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. The staff recommendation was accepted by consensus of the members present.

IX. Update on Commission Activities

Jennifer Johnson distributed the letter from the State Controller's Office (SCO) certifying First 5 Ventura County's FY 2016/17 annual audit conformed with reporting standards and there were no findings. Petra Puls presented information on strategic planning for years four and five, decisions that have been made by the Commission, and next steps.

X. New Business/ Miscellaneous

There was no new business.

XI. Closure

Commissioner Mantooth ended the meeting at 10:40 a.m.

XII. Next Meeting

Next Meeting: **Friday, June 1, 2018**, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County.
(This meeting was subsequently cancelled)