

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

December 7, 2018

Present: Commissioner Mantooth, Pamela Grothe, Joseph Richards

Staff Present: Petra Puls, Jennifer Johnson

I. Call to Order/Welcome/Introductions

Commissioner Mantooth began the meeting at 9:38 a.m.

II. Approval of Minutes from October 11, 2018

A motion was made by Pamela Grothe, seconded by Joseph Richards, to approve the minutes from the October 11, 2018 meeting. The motion carried unanimously.

III. Approval of Agenda

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

IV. Public Comments

There were no public comments.

V. Recommendation to Extend Current CPA Firm to Perform FY 2018-19 Audit

Jennifer Johnson stated that Fanning and Karrh, CPAs is the Commission's current auditing firm. The last Request for Proposals for auditing services covered a five-year period and the FY 2017-18 audit completed the final year of that bid. To align the audit cycle with the Commission's funding cycle (ending June 30, 2019), staff is recommending to delay the re-bidding of audit services by one year and to extend the current auditing firm to complete the FY 2018-19 audit. By extending the auditing firm, continuity and the capacity that has been built is maintained for this last year with expenditures at \$11 million, before shifting down to \$6.5 million in FY 2019-20. The Administration/Finance Committee serves as the audit committee for the Commission. Since the cost of the audit (\$18,750) is under the established vendor approval threshold of \$50,000, action by the Commission is not required and the Executive Director would be authorized execute this audit engagement.

A motion was made by Joseph Richards, seconded by Pamela Grothe, to extend the Current CPA firm to perform the FY 2018-19 audit. The motion carried unanimously.

VI. Review of Preliminary Assumptions for the FY 2019-20 Budget

Jennifer Johnson referred to the handout on budgeting principles for FY 2019-20. Jennifer provided the contextual background, approach, and timeline for developing the FY 2019-20 budget for the Commission's internal cost centers. The Committee discussed the guiding principles and the overall direction and felt the document can be used to convey key messages that are guiding the budget given the Commission's shift in investments. The Committee discussed resources for the Commission's internal cost centers that will be

needed to carry-out the shift in strategic priorities to systems-building efforts and maintain organizational viability to meet obligations and statutory requirements.

In January, staff will develop a proposed staffing pattern and the assumptions that will be used to prepare operating cost estimates for the Committee's review. This information will be used to prepare a recommended budget in February. This moves up the typical budget approval timeline from May to February so that we have sufficient notice for any changes. Commissioner Mantooth recommended that the Committee report on the preliminary budget work to the Commission in January, in addition to presenting the formal budget in February.

VII. Recommendation to Update Boilerplate Contract

Jennifer Johnson referred to the handout on the proposed boilerplate contract changes. Jennifer stated that before the beginning of each new fiscal year, staff reviews the standard boilerplate contract for any updates to insurance requirements, opportunities to clarify language/streamline the boilerplate, and identification of any new provisions that may need to be added due to any issues encountered in the prior year. Jennifer stated that the boilerplate modifications were developed in consultation with the Commission's legal counsel. Jennifer explained the proposed changes, which include: 1) updating the attribution language to reflect the re-designed Neighborhoods for Learning Initiative; 2) submission of a statement of financial position when the contractor is not required to conduct an annual audit; and 3) implementing a provision for contractors to maintain an inventory of equipment and furniture purchased under the agreement. Additionally, staff is recommending the practice of multi-year contracting (that was implemented in FY 2016-17) be maintained, along with allowing funded partners to utilize unspent funds up until the end of their funding cycle. The Committee recommended a modification to the new provision that proposed submission of a financial statement and instead require submission of the IRS annual return for tax-exempt organizations. This way we are building on reports (e.g., Form 990) that already exist and it does not require additional resources to prepare. The Committee also discussed the new provision related to inventory and it was agreed to remove "supplies". Instead, the amount of supplies a contractor has on hand at termination will be evaluated and addressed as part of our contract close-out procedures. Staff will draft the revisions and if there are no concerns with the proposed edits, staff will move this at Thursday's Commission meeting. However, if there is a desire to have further discussion, this item will be postponed to January.

A motion was made by Pamela Grothe, seconded by Joseph Richards, to revise the contract boilerplate with the changes discussed (provided there are no concerns with the edits) and to continue multi-year contracting and use of unspent funds. The motion carried unanimously.

VIII. Update on Implementation Plan for Year 4 and 5 of the Strategic Plan & Consideration of Strategies to Facilitate NfL Transition

Petra Puls provided an in-depth update on the transition work for FY 2019-21 that has occurred to date and activities that are upcoming. She reviewed potential strategies that would facilitate the transition to the redesigned NfL Initiative. It is proposed that these activities would be funded through available unspent funds. The Committee agreed that staff would work on a proposal to bring back to the Committee.

IX. Recommendation to Approve 2019 Meeting Schedule

Jennifer Johnson referred to the proposed 2019 Administration/Finance Committee meeting schedule and noted that some meetings do not fall on the first Friday of the month. The Committee will plan to go dark for the month of July, as historically the Committee does not have business during that month.

A motion was made by Pamela Grothe, seconded by Joseph Richards, to approve the 2019 Administration/Finance Committee meeting schedule.

X. Update on Commission Activities

Petra Puls provided an update on actions taken by the Commission in October, noting the Commission approved the FY 2017-18 annual audit. Petra presented the Annual Accountability Report to the Committee.

XI. New Business/ Miscellaneous

There was no new business.

XII. Closure

Commissioner Mantooth ended the meeting at 11:30 a.m.

XIII. Next Meeting

Friday, January 18, 2019, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County