

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

April 11, 2019

Present: Commissioner Mantooh, Commissioner Stenslie, Pamela Grothe, Kara Ralston

Staff Present: Petra Puls, Jennifer Johnson

I. Call to Order/Welcome/Introductions

Commissioner Stenslie began the meeting at 11:37 a.m.

II. Approval of Minutes from February 15, 2019

A motion was made by Commissioner Mantooh, seconded by Kara Ralston, to approve the minutes from the February 15, 2019 meeting. The motion carried unanimously.

III. Approval of Agenda

A motion was made by Kara Ralston, seconded by Commissioner Mantooh, to approve the agenda. The motion carried unanimously.

IV. Public Comments

There were no public comments.

V. Recommendation to Maintain Commission Investments and Update Investment Policy

Jennifer Johnson referred to the handouts and provided an overview of the Commission's parameters for investments as a government entity. She stated that the Commission's current investment policy designates one year of operating funds to be maintained in either the Ventura County Treasury Investment Pool or the Local Agency Investment Fund (LAIF). Funds beyond the one year operating requirement may be invested in either of the pools and also allows for external securities, as permitted by the government code. The Commission adopted its investment policy in 2009, which happened to coincide with the recession resulting in drastically reduced interest rates. As a result, the yield on external investment opportunities has not been sufficient to warrant external investment of Commission resources given the timing of when funds would need to be available for use. Historically, the Ventura County pool has out-performed the State's pool, resulting in the decision to maintain both operating funds and any surplus funds in the local pool.

Jennifer reviewed the proposed changes to the Investment Policy, including removing references to the Sustainability Fund (formerly called the Endowment Fund) due to its full depletion in FY 2018-19. Jennifer noted that very soon, one year of operating funds will no longer exist. Instead, as required by our minimum fund balance we will have six months operating plus the \$1 million (20%) safety net. The policy would continue to allow for external investment of surplus funds, in the event this occurs. The proposed policy rearranges the "allowable investments" table and glossary as an attachment rather than embedded in the body of the policy, so that it can be easily replaced and superseded by the most current list. The rating requirement for banks holding public funds has also been added to the proposed policy.

As part of the annual review of the Investment Policy, the Committee needs to determine for FY 2019-20 whether funds beyond the one year operating requirement should be maintained

in the County Pool, Local Agency Investment Fund (LAIF), or be invested externally. The Committee reviewed data on current market rates for both long term securities and investment pools and determined that the County Pool is currently yielding a higher rate than LAIF and that our cash flow needs do not support the external investment of funds in longer term securities with higher yields. Staff recommended that funds be maintained in the Ventura County Treasury Pool for FY 2019-20.

A motion was made by Commissioner Mantooth, seconded by Pamela Grothe, to update the Investment Policy and maintain the Commission's investments in the Ventura County Treasury Pool for FY 2019-20. The motion passed unanimously.

VI. Recommendation to Update Format of FY 2018-19 Operating Budget

Jennifer referred to the handout with a revised format for the FY 2018-19 Operating Budget. Jennifer noted the Committee's past discussions updating the format of the budget to better align with format used in the audit report and to more clearly show the transfer of resources between Commission funds. The budgeted amounts reflect the budget approved in May 2018 and subsequent revision in August 2018 to include use of unspent funds for the Place-Based Transition Pilot and Pritzker Grant. The layout is consistent with the format used for the FY 2019-20 Operating Budget that was approved in February 2019.

A motion was made by Pamela Grothe, seconded by Kara Ralston, to approve the updated format of the FY 2018-19 Operating Budget. The motion carried unanimously.

VII. Review of Financial Reports as of February 28, 2019

Jennifer Johnson presented the Expenditure Report as of February 28, 2019. Jennifer highlighted areas of the report, providing explanations for variances. Jennifer noted that the February Expenditure Report largely reflects activity as of Quarter 2 and she pointed out that spending levels are similar to last year.

VIII. Update on Commission Activities

Petra Puls referred to the March 2019 Report from Commission Staff. Petra provided an update on the FY 2019-20 operating budget approval, the initiation of internal fiscal reviews for funded partners, and legislative activities. She reported on recent work with Center for the Study of Social Policy (CSSP) and the parent leadership network. She highlighted progress on the FY 2019-21 transition and gave an update on the Take 5 and Read to Kids! early literacy campaign. Petra concluded her report by announcing that First 5 Ventura County was named a Best Place to Work on the Central Coast.

IX. New Business/ Miscellaneous

There was no new business.

X. Closure

Commissioner Stenslie ended the meeting at 12:20 p.m.

XI. Next Meeting

Friday, May 10, 2019, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County
(This meeting was subsequently cancelled)