

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

September 6, 2019

Present: Commissioner Stenslie, Joseph Richards

Staff Present: Petra Puls, Jennifer Johnson

Guest Speakers: Cindy Fanning, Fanning & Karrh, CPAs

I. Call to Order/Welcome/Introductions

Commissioner Stenslie 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 11, 2019

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 public comments.

V. Review of Audit Procedures for FY 2018-19

Cindy Fanning, from Fanning & Karrh CPAs, the firm conducting the FY 2018-19 audit of the Commission, attended the meeting to receive input from the Committee on the upcoming audit. In the Committee's role as the "audit committee" for the Commission, the purpose of their visit provides an opportunity to review audit procedures and for members to ask questions, raise concerns, and make comments relative to the audit. While it has always been the practice, auditing standards require a pre-meeting in addition to the post meeting with the audit committee. Cindy provided an overview of the process for the audit. She discussed auditing standards for testing internal controls and issuing opinions on compliance. Since federal expenditures are under the threshold, a Single Audit will not be conducted. She stated that fieldwork for the audit began this week and that the draft audit will be presented to the Committee in October. Cindy ended with a discussion on fraud risk and the importance of procedures to encourage reporting fraud. There was a brief discussion on auditor independence and the impact of the change in funding level on the audit moving forward.

VI. Recommendation to Update Provision for Health Care Benefits

Jennifer Johnson stated that there are two items that need updating in the provision for employee health care benefits. Under the Patient Protection and Affordable Care Act (ACA), full time is defined as 30 hours per week and the provision to receive cash back if you opt-out of health coverage is not allowable. Jennifer referred to the handout with the excerpt from the Commission's Employee Handbook. To align with the guidelines of ACA, the proposed updates are to 1) change the current full time definition from 40 hours per week (80 hours per pay period) to 30 hours (or 60 hours per pay period) and 2) Eliminate text related to a cash back option, which is not allowable with the passage of ACA and was previously discontinued. Jennifer noted this only applies to health care benefits – for all other benefits full time is still

considered 40 hours per week. Jennifer stated that a different proration schedule is needed because full time for health care benefits would now be 30 hours per week rather than 40 hours a week. Therefore, any employee regularly scheduled between 20 hours and 29 hours per week (40 – 59 hours per pay period) would contribute a prorated share of the premiums. Jennifer indicated that employees regularly scheduled to work less than 20 hours per week are not eligible for benefits. Jennifer reviewed the handout that illustrates the proposed streamlined approach to prorating premiums - a two-tier proration schedule (as opposed to calculating the exact proration on an hour for hour basis). This schedule applies 30 hours per week as the base for allocating the prorated share between Commission and employee and then uses the median as the rate for each of the two identified tiers. Tier 1 for 50-59 regular scheduled hours per pay period the employer and employee contributions would be 90% and 10%, respectively. Tier 2 for 40-49 regular scheduled hours per pay period the employer and employee contributions would be 75% and 25%, respectively. Jennifer reviewed the financial impact, indicating it is very minimal as the majority of staff work 40 hours a week. There was consensus among the Committee members to carry forward the recommended changes to the Commission.

VII. Update on Commission Activities

Petra Puls provided an update on transition of the NfL initiative for FY 2019-20 and reported that open houses have been held and services are up and running. She announced upcoming NfL ribbon cutting ceremonies. She reported that a letter of interest to the Pritzker Foundation for a three year Prenatal-to-Three Community Innovation Grant has been submitted that will focus on building the capacity of libraries countywide to offer PACT services. Petra provided an update on staffing. Petra concluded her report highlighting upcoming activities, including determining the focus of systems-building activities for the next 18 months and adopting a new (or extending the existing) strategic plan as the current plan ends June 2020.

VIII. New Business/ Miscellaneous

There was no new business.

IX. Closure

Commissioner Stenslie ended the meeting at 10:25 a.m.

X. Next Meeting

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