

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

December 6, 2019

Present: Commissioner Stenslie, Pamela Grothe, Kara Ralston, Joseph Richards

Staff Present: Petra Puls, Jennifer Johnson, Lauren Arzu

I. Call to Order/Welcome/Introductions

The meeting began at 9:40 a.m.

II. Approval of Minutes from October 11, 2019

A motion was made by Pamela Grothe, seconded by Joseph Richards, to approve the minutes from the October 11, 2019 meeting. The motion carried unanimously.

III. Approval of Agenda

The agenda was accepted by consensus.

IV. Public Comments

There were no public comments.

V. Recommendation to Approve Policy Platform for 2020

Lauren Arzu referred to the Advocacy Policy that was approved in October 2017 and reviewed the Policy Platform that was approved in January 2019. Lauren reported on activities that occurred in 2019 and stated that the policy and platform were helpful in facilitating the Commission's ability to respond.

Lauren presented the proposed Policy Platform for 2020 and noted it aligns with current Strategic Plan goals. She reviewed the recommended changes for 2020 based on emerging issues and the learnings from 2019. The Committee discussed the updates proposed by staff and recommended that the proposed update include language addressing the social determinants of health.

A motion was made by Kara Ralston, seconded by Joseph Richards, to approve the proposed policy platform with the modification to include "addressing the social determinants of health". The motion carried unanimously.

VI. Recommendation to Release Request for Proposals for Auditing Services

Jennifer Johnson presented a proposed Request for Proposals (RFP) for audit services to conduct the Commission's annual financial and compliance audit, beginning with fiscal year 2019-20. The current audit firm, Fanning and Karrh, Certified Public Accountants, just completed the final year of a five-year engagement with a one-year extension commencing in 2014. Jennifer reviewed the RFP guidelines and the timeline, highlighting proposed updates to application questions and evaluation criteria. Proposals would be due at the beginning of February. A subset of the Committee will review proposals and develop a recommendation

that will be brought forward to the full Committee. The committee suggested a modification to have applicants attach any recent peer review reports to their proposal.

A motion was made by Pamela Grothe, seconded by Kara Ralston, to approve the request for proposals as amended. The motion carried unanimously.

VII. Review of Financial Reports as of September 30, 2019 and Update on Proposition 10 Distributions

Jennifer Johnson presented the financial statements of September 30, 2019. Jennifer referred to the balance sheet and the statement of revenues and expenditures. She also referenced the September 2019 expenditure report, noting that the November expenditure report will reflect funded partner activity through quarter one. She gave an overview of the statements and the report, providing explanations as to variances.

Jennifer reported that First 5 commissions are currently experiencing significant delays in receiving tobacco tax distributions from the State. First 5 California was able to obtain estimates from the California Department of Tax and Fee Administration (CDTFA) for July, August, and September distributions. When taking into account the State's projection for quarter one (Q1), the current rate of decline for Ventura County is approximately 24% or \$380,000 lower compared to last year at the end of Q1. When budgeting for fiscal year 2019-20 tobacco tax revenues, F5VC projected \$5.5 million, which is reflective of a 4% decrease applied to the prior year forecasted revenues. Because actual revenues for fiscal year 2018-19 came in higher than forecasted, the impact of this decrease is somewhat mitigated. Additionally, while Ventura County's birth rate continues to decline, our proportion of statewide births increased slightly for fiscal year 2019-20, which will help offset the overall decrease experienced statewide. It is anticipated that Proposition 10 tax distributions for July will be distributed to counties next week. Efforts are underway at the state-level to obtain information from the CDTFA to determine the cause of the decrease. Distributions vary greatly from month to month and with actual revenue data for only 8% of the year, it is too early to determine whether current and future revenues will be impacted. Staff is closely monitoring monthly disbursements and will report back regularly.

Jennifer presented a chart illustrating the annual percent change in birth rate since 1999. County-level Proposition 10 tobacco tax revenues are based on the county's proportion of births that occurred statewide. The local percent change from year to year is compared to the statewide trend. At the time the chart was prepared, data was available through 2016. Jennifer noted that there is a great deal of fluctuation from year to year both locally and statewide. Overall, the chart depicts an overall decline in the local birth rates beginning in 2007. Jennifer reported that the California Department of Finance posted 2017 and 2018 data this morning. This data shows that while Ventura County's birth rate continues to decline, our proportion of statewide births rose slightly each year.

VIII. Recommendation to Approve 2020 Meeting Schedule

Jennifer Johnson referred to the proposed 2020 Administration/Finance Committee meeting schedule and noted the Committee will plan to go dark for the month of July, as historically the Committee does not have business during that month. The schedule was approved by consensus.

IX. Update on Commission Activities

Petra Puls referred to the November 2019 Report from Commission Staff. She reported on employee health insurance renewal and noted that the overall increase was 10%, coming in less than the 15% budgeted. She provided an update on the completion of the Pay for Success Feasibility Study Pilot. She concluded her report with an update on services provided by the Neighborhoods for Learning and on the Commission's transition funding for preschool spaces.

X. New Business/ Miscellaneous

There was no new business.

XI. Closure

Commissioner Stenslie ended the meeting at 10:50 a.m.

XII. Next Meeting

Friday, January 10, 2020, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County
(This meeting was subsequently cancelled)