



## FINANCE COMMITTEE MEETING MINUTES

May 31, 2022, 12:30 PM

The First 5 Yolo Finance Committee met on the 31<sup>st</sup> day of May, 2022 at 12:30pm via ZOOM virtual conference meeting.

**Commissioners in Attendance:** Sally Brown, Jenn Rexroad

**Staff in Attendance:** Gina Daleiden, Victoria Zimmerle, Rachel McFarland

### I. Call to Order

The meeting was called to order at 12:34pm

### II. Public Comment

None.

### III. Review and Approve FY22/23 Budget for Adoption by Full Commission

Zimmerle presented the proposed FY22/23 and 3-Year Comparison budget noting the following:

- Revenues:
  - The proposed budget includes presently known grants and sources. First 5 Yolo currently has multiple grant applications pending and should they be awarded, staff will update the budget in September to reflect any new received grants.
  - There is pending legislation which may impact Prop 10 revenues (CA Flavored Tobacco Products Ban Referendum, SB793) and the more conservative Prop 10 projections are utilized in this budget aligned to best practice.
- Personnel:
  - The proposed budget includes 3.5 Regular FTE and 1.2 Grant-Funded FTE
  - As the Commission continues to leverage its Prop 10 funding with other funders, there may be opportunities to leverage small portions of regular Prop 10 programmatic staff into grant-funded activities.
  - Aligned to First 5 Yolo and County practices, budgeted personnel includes a 2% COLA (cost of living adjustment). The full Commission will consider approval of a COLA for all staff at the June Commission Meeting
- Program Funding:
  - The proposed FY22/23 includes the first full year of implementation of Welcome Baby as well as one-time ARP Childcare Recovery Funds.
  - Should pending grant applications be awarded, funded programs will be updated to reflect new awards.
- Operating Expenses and Professional Services:
  - Budget A-87 charges continue to rise year over year as a result of rising County costs which are allocated across all departments. First 5 Yolo only

pays for services it utilizes and has continued to work with the County to for better transparency in the charges and methodology. The County continues to work on improve consistency and transparency for departments.

- Some budgeted Operating Expense line items may or may not be expended.
- The current Strategic Plan concludes on June 30, 2023 and the FY22-23 proposed budget includes funds to support the development of the next First 5 Yolo Strategic Plan.
- In FY21-22 First 5 Yolo received more than \$750,000 in federal funds and will be subject to Single Audit of FY21/22 which will be conducted in FY22/23. As such, budgeted expenditures related to the Independent Financial Audit reflect costs associated with adding a Single Audit to comply with federal regulations.
- Year-End Fund Balance
  - The proposed budget includes a planned budget deficit of \$364,926 aligned to the objectives of the Long-Term Financial Plan which includes the strategic utilization of Fund Balance to maintain program funding across the life of multi-year initiatives (e.g., The CHILD Project: Road to Resilience, Welcome Baby, etc.) through FY23-24.
  - Staff recommend increasing the Continuing Leveraged Programs reserve balance to \$560,000 to ensure adequate funding for multiyear initiatives through FY23-24 aligned to the current Strategic Plan and Long Term Financial Plan
  - Currently, First 5 Yolo receives approximately 75%+ of its revenues from grants from other funders (state and local grants) and its use of the Unassigned Balance to serve as a cash-flow reserve continues to be critical in supporting direct service partner agencies to implement programs without interruption and without experiencing the challenges associated with delayed reimbursements from the state. Because First 5 Yolo maintains this reserve, it is able to provide contractors continuity of services and limit partner cash-flow disturbances related to delayed payments from other funders.

Commissioners discussed and requested that the benefits of the strategic use of fund balance and its support of smaller non-profits in implementing state and federally funded programs be highlighted to the full Commission. Commissioners and staff also discussed way to streamline the budget in future periods for better public understanding, increased flexibility within line items, and increased alignment to County budgeting practices.

***Approve FY22/23 Budget for Adoption by Full Commission***

**Motion:** J. Rexroad      **Second:** S. Brown

Motion carries unanimously.

IV. **Review and Approve Long Term Financial Plan Update for Adoption by Full Commission**

- V. Zimmerle reviewed the Long Term Financial Plan update noting updates primarily reflected updated Prop 10 revenues projections and potential impacts of SB793, the Extension of the FY19-21 Strategic Plan through FY22/23, and known FY22/23 revenues and planned expenditures.

Commissioners discussed and asked questions.

***Approve Long Term Financial Plan Update for Adoption by Full Commission***

**Motion:** J. Rexroad    **Second:** S. Brown

Motion carries unanimously.

VI. **Adjourn**

The meeting was adjourned at 12:50pm