



AGENDA

PUBLIC NOTICE

Regular Meeting of the Finance Sub Committee

Wednesday, November 8, 2023

2:00 PM

First 5 Riverside County
585 Technology Ct
Riverside, California 92507

This notice shall confirm the Regular Meeting of the Finance Sub Committee of the Riverside County Children and Families Commission.

Note: If special accommodations are needed to participate in this meeting, please contact Lynn Stephens, Executive Assistant IV, at (951) 955-0200 during regular business hours of the Riverside County Children and Families Commission (Monday-Friday 8:00 a.m. – 5:00 p.m.).

Note: Public Comments will be taken on agenda items at various times during the meeting. Please submit a Request to Speak form to the Executive Assistant IV at any time before or during the meeting indicating the item you wish to address.

Note: Please place all cellular phones on vibrate or off mode during the meeting.

- A. Call to Order – Yvonne Suarez, Assistant Director**
- B. Public Comments (for items not listed on the agenda)**
- C. Finance Sub-Committee Business – Yvonne Suarez, Assistant Director and Patricia Perez, Administrative Services Manager II**
 - C.1. Approval of November 30, 2022 Finance Sub-Committee Regular Meeting Minutes**



Riverside County Children & Families
Finance Subcommittee
November 30, 2022 11:00 AM

First 5 Riverside ZOOM
585 Technology Ct
Riverside, California 92507

Finance Subcommittee Members Present: Jose Campos, Stephanie Yost, Viola Lindsey, and Malinda Margiotta

Finance Subcommittee Members Absent: Deborah Clark-Crews

Administrative Staff Present: Tammi Graham, Executive Director; Yvonne Suarez, Deputy Director of Administration; Paul Robles, Fiscal Manager; and Lynn Stephens, Executive Assistant IV

Legal Counsel: Ronak Patel, Deputy County Counsel

- A. **Welcome/Call to Order** – Jose Called to order at 11:04 am.
- B. **22-01: Adopt Resolution** of the First 5 Riverside County Children & Families Commission, Authorizing Remote Teleconference meetings of the Legislative Bodies of First 5 Riverside County for the period of November 30, 2022 through December 30, 2022 Pursuant to the Ralph M. Brown Act.

*Subcommittee Member Viola Lindsey moved to approve action item 22-01 as presented. Subcommittee Member Stephanie Yost seconded the motion. **Motion Carried.***

- C. **Public Comments**
None.

D. **Finance Subcommittee Business**

1. Approval December 8, 2021, Finance Subcommittee Draft Minutes – Jose Campos

*Subcommittee Member Lindsey moved to approve the December 8, 2021 Finance Subcommittee Minutes. Subcommittee Member Yost seconded the motion. **Motion Carried.***

2. Meet the First 5 Riverside g Fiscal Team

E. **Review Strategic Plan Funding Allocation - Yvonne Suarez, Deputy Director**

Mr. Robles gave an overview of Strategic Plan allocations as well as expense trends for each Goal Area.

F. Quarterly Financial Highlights Review – Paul Robles, Fiscal Manager

Mr. Robles presented quarterly financial highlights including program, evaluation, and admin expense percentages. Ms. Suarez noted the program side is typically 80% of the budget.

G. Draft Revised Fiscal Policy – Paul Robles, Fiscal Manager

Mrs. Robles noted on August 8, 2022 a memo was revived from the County Executive Office eliminating Quarter 1 reports. Staff will present an updated policy to the Commission eliminating first quarter financial highlight and be in alignment with the County.

H. Fund Balance Fiscal Year 21/22 Highlights - Paul Robles, Fiscal Manager

Mr. Robles provided an update on the Fund Balance Policy Requirements. \$10 million for Specific purposes, \$6 million Committed and \$4 million minimum unassigned. Ms. Suarez noted that when funding isn't assigned by the strategic plan goal area buckets it remains in unassigned until the Commission identifies how it will be assigned. Ms. Graham noted the majority of contracts are expiring June 30, 2023. Staff will bring recommendations to the Commission for the contracts in the spring. She noted CalWORKs funds are tied to state budgeting process, so they are use it or lose it. In some cases, money that isn't spent, the funds are pulled back and used for a different purpose.

Mr. Robles noted: 30% Investments; 17% Budgetary Stabilization; 5% Strategic Plan; 53% Minimum/Unassigned Balance. Increased Fund Balance by 1 million this past fiscal year and were in the black. Ms. Graham noted after the Commission takes action in the spring 22/23 assigned strategic plan dollars will shift.

(Member Margiotta joined the meeting at 11:33 am)

I. Review Trends – Prop 10 & Prop 56 (backfill) - Yvonne Suarez, Deputy Director

Ms. Suarez gave an overview of Prop 10 projection methodology by the State – Department of Finance and Prop allocations statewide. She detailed the various taxes that make up Prop 10 and went over Prop 56 trends. 80% is Allocated to the Counties and 20% is allocated to First 5 California. Revenue from 16/17 to current was reviewed. Prop 56 is an additional \$2.00 tax/backfill that was passed in 2016. Ms. Suarez reviewed revenue projections with and without the Flavor Ban tax. There's been a steady decline in Prop 10 Funding of 2-3%. Riverside County's allocation has remained consistent throughout the years due to the birth rate. Ms. Graham noted First 5 Association is looking at what other backfill could be needed based on the impact of the Flavor Ban. Supervisor Washington is now the President of CSAC and there are many other members now sitting on the board who can allocate. Staff will continue to share information as it comes available.

A brief discussion ensued.

J. Future Agenda Items:

Input for FY 23/24 Strategic Plan Allocation.

K. Adjournment: Adjournment at 11:58 a.m. to the next Regular Meeting of the Riverside County Children and Families Finance Subcommittee to be determined.

Meeting Minutes Recorded by Lynn M. Stephens, Executive Assistant IV

- C.2. Meet First 5 Riverside County Fiscal Team
- C.3. Overview of Finance SubCommittee
- C.4. Fund Balance Fiscal Year 22/23 Highlights
- C.5. Review Trends - Prop 10 & Prop 56 (backfill)
- C.6. Review Strategic Plan Funding Allocation

FIRST 5 RIVERSIDE COUNTY -- DRAFT FY 2024-2028 STRATEGIC FINANCIAL PLAN

| | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | 5 YR TOTAL |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FYs 24-28 |
| | Actuals | *Adjusted Budget | Projected | Projected | Projected | Projected | Projected |
| REVENUE: | | | | | | | |
| Interest-Invested Funds | 1,045,880 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 1,750,000 |
| CA-Tobacco Tax Prop 10 | 12,922,754 | 13,074,768 | 11,113,553 | 9,446,520 | 8,029,542 | 6,825,111 | 48,489,494 |
| CA-Prop 56 Tobacco Act 2016 | 3,995,718 | 3,500,000 | 2,975,000 | 2,528,750 | 2,149,438 | 1,827,022 | 12,980,209 |
| CA-Other (includes SMIF & CECET) | 292,354 | 321,589 | 353,748 | 389,123 | 428,035 | 470,839 | 1,963,334 |
| F5CA State (IMPACT Legacy) | 1,997,354 | 3,832,649 | 3,832,649 | - | - | - | 7,665,297 |
| Reimbursement For Services (CalWORKs) | 998,764 | 5,292,507 | 5,292,507 | 5,292,507 | 5,292,507 | 5,292,507 | 26,462,535 |
| Reimbursement For Services (FRCs) | 2,588,157 | 2,599,500 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 12,599,500 |
| Contrib Fr Other County Funds (ARPA & UCI & CDI) | 7,165,171 | 5,310,000 | 5,000,000 | - | - | - | 10,310,000 |
| Program Revenue (RCOE & F5OC HV) | 96,101 | 309,144 | 134,144 | - | - | - | 443,288 |
| TOTAL REVENUE | \$ 31,102,254 | \$ 34,590,157 | \$ 31,551,601 | \$ 20,506,900 | \$ 18,749,522 | \$ 17,265,478 | \$ 122,663,657 |
| OPERATING EXPENSES: | | | | | | | |
| Salaries & Benefits | 4,678,960 | 6,677,636 | 7,208,436 | 6,964,072 | 7,616,792 | 7,921,464 | 36,388,400 |
| Salaries & Benefits (FRC MOU) | 1,610,266 | 1,724,613 | 1,863,693 | 2,062,460 | 2,244,418 | 2,334,194 | 10,229,378 |
| Operations | 1,397,917 | 1,144,767 | 1,167,662 | 1,191,016 | 1,659,253 | 2,226,632 | 7,389,331 |
| Operations - (FRC MOU) | 700,333 | 485,145 | 337,459 | 138,692 | 255,582 | 165,806 | 1,382,684 |
| Operations - (FRC Match) | 16,417 | 885,145 | 771,691 | 572,924 | - | - | 2,229,760 |
| Operations - (IMPACT MATCH) | - | 959,070 | 1,000,000 | - | - | - | 1,959,070 |
| American Rescue Plan Act 2021 (ARPA) | 7,040,907 | 4,878,432 | 5,000,000 | - | - | - | 9,878,432 |
| Capital Assets | - | 800,000 | - | - | - | - | 800,000 |
| TOTAL OPERATING EXPENSES | 15,444,800 | \$ 17,554,808 | \$ 17,348,942 | \$ 10,929,163 | \$ 11,776,045 | \$ 12,648,096 | \$ 70,257,055 |
| QUALITY EARLY LEARNING | \$ 7,906,594 | \$ 12,243,424 | \$ 6,896,238 | \$ 1,073,500 | \$ - | \$ - | \$ 20,213,162 |
| COMPREHENSIVE HEALTH & DEVELOPMENT | \$ 7,549,355 | \$ 12,387,648 | \$ 7,483,716 | \$ 6,928,624 | \$ 5,292,507 | \$ 5,292,507 | \$ 37,385,002 |
| RESILIENT FAMILIES | \$ 454,695 | \$ 1,234,358 | \$ 1,098,848 | \$ 1,098,848 | \$ 298,848 | \$ 298,848 | \$ 4,029,750 |
| COUNTYWIDE IMPACT | \$ 793,974 | \$ 663,456 | \$ 306,356 | \$ 186,000 | \$ 186,000 | \$ 186,000 | \$ 124,208,052 |
| | \$ 25,502,643 | \$ 40,814,348 | \$ 24,674,078 | \$ 17,500,444 | \$ 11,554,710 | \$ 11,554,710 | \$ 228,778,530 |
| TOTAL EXPENSES | \$ 32,149,417 | \$ 44,083,694 | \$ 33,134,100 | \$ 20,216,135 | \$ 17,553,400 | \$ 18,425,451 | \$ 256,093,021 |
| NET Fund Balance (+/-) | (1,047,163) | (9,493,537) | (1,582,499) | 290,765 | 1,196,121 | (1,159,973) | |
| FUND BALANCE, End of Year | 33,531,990 | 24,038,453 | 22,455,953 | 22,746,718 | 23,942,840 | 22,782,867 | |

Fund Balance Reconciliation

| | | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Committed Funds | \$ 11,584,988 | \$ 5,999,999 | \$ 2,666,666 | \$ 833,334 | \$ - | \$ - |
| Committed Funds- \$6M reserve | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 |
| Unassigned for Strategic Plan | 11,947,002 | 8,038,454 | 9,789,287 | 11,913,384 | 13,942,840 | 12,782,867 |
| Minimum Fund Balance | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Total Fund Balance at Year End | \$ 33,531,990 | \$ 24,038,453 | \$ 22,455,953 | \$ 22,746,718 | \$ 23,942,840 | \$ 22,782,867 |

- D. **Future Agenda Items:**
- E. **Adjournment:** Adjournment to the next Regular Meeting of the Riverside County Children and Families Commission's Finance Sub-Committee

Conflict of Interest: Any person, or group of persons present at this meeting, who wish (es) to speak on a matter may be required to state for the record any contributions, in excess of \$250.00 made in the past (12) twelve months, made to any Commission member, the Commission member receiving the contribution, and the matter of consideration with which they are involved.

Agenda Posting: Agendas will be posted at the Clerk of the Board of Riverside County and the Commission Business Office.

All public record documents for matters on the open session of the Agenda are available for inspection at the meeting listed in this Agenda, and at the following location beginning three (3) days prior to the meeting date:

**Riverside County Children and Families Commission
585 Technology Court
Riverside, CA 92507**

If a public record document that relates to a matter on the open session of the Agenda is distributed less than 72 hours prior to the meeting date, the public record document shall be available for inspection, at the same time it is distributed, at the address listed above. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990.