

**FIRST 5 COMMISSION OF SAN DIEGO
FINANCE COMMITTEE
January 27, 2009
9 a.m. to 10:30 a.m.
1495 Pacific Highway, Room 201 Conference Room
San Diego, CA 92101**

Members Present

Michael Carr, Chair
Rob Castetter
Michael Van Mouwerik

Members Excused

Ebony Shelton
David Smith
Fred Baranowski

Staff Present

Martin Cherry
Naomi Chavez
Christine Otsuka
Nila Breuhan

MEETING SUMMARY

1. Call to Order

Chairman Carr called the Finance Committee Meeting to order at 9:06 a.m.

2. Opportunity for Public Comments

There were no public comments received.

3. Approval of Finance Committee Minutes – November 25, 2008

ON MOTION OF Member Castetter, seconded by Member Van Mouwerik, the Committee approved the minutes of November 25, 2008, as corrected. Rob Castetter was not present at the last meeting. His name was deleted from the Members Present list and added to the Members Excused list.

AYES: Carr, Van Mouwerik, Castetter

ABSENT: Shelton, Baranowski

ABSTAIN: None

NOES: None

4. Commission Financials– December 31, 2008

Staff member Chavez reviewed and discussed the Commission's Balance Sheet and the Comparative Statement of Revenues and Expenditures, which includes the 2nd Quarter FY 2008-09 Budget Projections. She noted anticipated savings in Employee Salaries and Benefits, and some Services and Supplies line items. In summary, the Commission's current year budget is projected to be under spent by \$300,000 by the end of the fiscal year.

Action: Revise the Comparative Statement of Revenues and Expenditures to show the entire amount of the budgeted Operating Transfer In in the budget projection column (column J) and show the increase in revenue and positive bottom line. Staff was directed to e-mail the revised statement to the Finance Committee members.

ON MOTION OF Member Castetter, seconded by member Van Mouwerik, the Committee approved the Commission's Financial Statements for December 31, 2008 (as amended).

AYES: Carr, Castetter, Van Mouwerik

ABSENT: Shelton, Baranowski

ABSTAIN: None

NOES: None

5. Administrative Rate Policy CFC-012

Staff recommended changes to the current policy that limits the percentage of the Commission’s operating budget that may be spent on administrative functions. Staff member Cherry recommended adding a paragraph to the policy that defines “Operating Budget.” In the past, “Operating Budget” was interpreted as the budget for the current fiscal year as approved by the Commission.

Action: Add a paragraph to the policy defining “Operating Budget” as: the current year’s Commission approved budget plus all prior year rollover encumbrances, minus expenses that are anticipated to be spent in future years. Staff member Cherry will bring copies of the original and the amended policy to next month’s Committee meeting.

6. Policies and Procedures for Fiscal Monitoring and In-Depth Invoice Reviews of Commission Contracts

Staff Member Otsuka presented an overview of the in-depth invoice review process and changes to the recommended policy since the last meeting. She reported that the invoice review worksheet has not changed since last meeting. The recommended changes tightened up some of the language in the policy as far as disallowances are concerned.

ON MOTION OF Member Van Mouwerik, seconded by Member Castetter, the Committee approved Policy F5C-A08 In-Depth Invoice Review.

AYES: Carr, Castetter, Van Mouwerik
ABSENT: Shelton, Baranowski
ABSTAIN: None
NOES: None

7. 5- and 10-Year Financial Plans

Staff member Cherry presented the updated 5-Year Allocation Plan and drafts of a 10-Year Financial Plan for the Finance Committee’s information and discussion. He said that the 10-year plan will go forward with the FY 2009-10 budget when it is routed for approval, but the 5-year Allocation Plan will not because the upcoming 2009-10 fiscal year is the last year of the plan. He said that the 10-year plan includes all of the Commission’s actions through January 12, 2009.

8. Executive Director Report

Staff member Cherry reported on behalf of Executive Director Spiegel, who was in Sacramento:

- The State is still after First 5 funds; however, encumbered funds are not likely to be touched.
- The latest news pertaining to the State’s desire to take First 5 funds is that they are proposing to eliminate the State First 5 Commission and take 50% of the funding from county commissions. The funds are proposed to be redirected to support children’s programs administered by the State Department of Social Services. It may need the voters’ approval.

9. Future Agenda Items

- Long-Term Financial Plan Report
- FY 2009-10 Budget

10. Adjournment

Chairman Carr adjourned the Finance Committee Meeting at 10:27 a.m. to reconvene at 9 a.m. on February 24, 2009.