

FIRST 5 COMMISSION OF SAN DIEGO

FINANCE COMMITTEE

November 25, 2008
9:00 a.m. to 10: 30 a.m.
1495 Pacific Highway, Room 350 Conference Room
San Diego, CA 92101

Members Present

Michael Carr, Chair
Fred Baranowski, Vice-Chair
Michael Van Mouwerik
Rob Castetter

Also Present

Laura Spiegel
Martin Cherry
Naomi Chavez
Rosa Lemus
Christine Otsuka

Excused:

Bill Scarfia
David Smith
Ebony Shelton

Meeting Summary

Bill resigned the Finance Committee

1. Call to Order

Chairman Carr called the Finance Meeting to order at 9:05 a.m. He announced that William M. Scarfia from San Diego Regional Chamber of Commerce resigned from the Finance Committee.

2. Opportunity for Public Comments

There were no public comments received.

3. Approval of Finance Committee Minutes - October 28, 2008

ON MOTION OF Member Baranowski, seconded by member Van Mouwerik, the Committee approved the minutes of October 28, 2008

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

4. Commission Financials- October 31, 2008

Staff member Cherry reviewed and discussed the October 31, 2008 Balance Sheet with the Finance Committee. He reported that the Commission approved a budget adjustment to the FY 2008-09 budget to add appropriations of \$37,403,983 at its November 3, 2008 meeting.

ON MOTION OF Member Baranowski, seconded by member Van Mouwerik, the Committee approved the Commission Financials for October 31, 2008.

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

NOES: None

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

The Finance Committee reviewed and discussed the draft policy, F5C-A08: *In-Depth invoice Review*, for the fiscal monitoring of Commission contracts. Staff member Christine Otsuka presented an overview of the in-depth invoice review process. Executive Director Spiegel reported that the Health and Human Services Agency – Agency Contract Support (ACS) office conducted a review of various First 5 Commission contracts. The only item of concern by ACS was the frequency of invoice reviews. This policy is the plan to ensure that all First 5 contracts receive the appropriate number of in-depth invoice reviews.

In order to ensure that invoices receive proper monitoring by program and fiscal staff, the Finance Committee agreed to include language that references program staff's periodic review and approval of invoices as stated in Policy F5C-A07: *Contractor Invoice Approval Procedure*, and make reference to this policy as part of the Background section in policy F5C-A08 *In-Depth invoice Review*.

6. 5- and 20-Year Financial Plans - Format Review

The Finance Committee continued discussions concerning the formats of the Commission's current financial Plans. The Finance Committee agreed to adjust the 5-year plan every year based upon events and activities. The Committee asked staff to run two scenarios for the 10-Year plan for inclusion in the next Finance Committee report to the First 5 Commission: 1) Assume no new revenue after FY 2010-11; adjust program spending over the remaining years of the 10-Year plan so that it balances to zero at the end of the plan; 2) Assuming no new revenue after FY 2010-11, keep spending at current levels to find out when current funds will be exhausted.

Staff member Cherry reported that the commission added \$6.6 million of new appropriations to the FY 2008-09 budget to extend a number of contracts through FY 2009-10. The contracts will be encumbered now for the next fiscal year as part of the safety net. The Commission added another year to the contracts to maintain continuity of services during the transition to the new strategic plan. An additional \$31 million in appropriations was also added to the budget for the current year to fund existing programs for FY2009-10 in order to contract and encumber funds now. Both the \$6.6 and \$31 million will be an expense during the FY 2009-10 budget year.

7. Executive Director Report

Executive Director Spiegel reported that the Commission wants options to encumber funds by its December 16th meeting.

8. Future Agenda Items

- ◆ Long Term Financial Plan

9. Adjournment

Chairman Carr adjourned the meeting at 10:37 a.m. to reconvene January 27, 2009 at 9:00 am.

Notes by Rosa Lemus