

**FIRST 5 COMMISSION OF SAN DIEGO
FINANCE COMMITTEE
February 24, 2009
9:00 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
Fred Baranowski
Joan Pan (for Ebony Shelton)

Members Excused

Ebony Shelton
David Smith

Staff Present

Laura Spiegel
Martin Cherry
Naomi Chavez
Nila Breuhan

MEETING SUMMARY

1. Call to Order

Chairman Carr called the Finance Committee meeting to order at 9:00 a.m.

2. Opportunity for Public Comments

There were no public comments received.

3. Approval of Finance Committee Meeting Minutes – January 27, 2009

ON MOTION OF Member Van Mouwerik, seconded by Member Castetter, the Committee approved the minutes of January 27, 2009. Chairman Carr noted that although it was Naomi Chavez's first meeting doing presentations, she did an admirable job.

AYES: Carr, Van Mouwerik, Castetter, Baranowski

ABSENT: Shelton, Smith

ABSTAIN: None

NOES: None

4. Commission Financials – January 31, 2009

Staff Member Chavez discussed the Commission's Balance Sheet as of January 31, 2009 with comparative totals for January 31, 2008. The Obligations section includes all of the Commission's actions in November and December. In order to show a positive fund balance, \$5 million has been transferred from the sustainability fund to the operating fund.

ON MOTION of Member Baranowski, seconded by Member Van Mouwerik, the Committee approved the Commission's Balance Sheet as of January 31, 2009.

AYES: Carr, Van Mouwerik, Castetter, Baranowski

ABSENT: Shelton, Smith

ABSTAIN: None

NOES: None

5. Administrative Rate Policy CFC-012

Staff Member Cherry presented the updated version of the Administrative Rate Policy CFC-012. At the last committee meeting, staff recommended adding the definition of Operating Budget. The revised version will be presented for the Commission's approval on March 9, 2009. Per the updated policy, Operating Budget is defined as follows:

1. The baseline is the current year's Commission approved budget,
2. plus all prior year encumbrances rolled over to the current year,
3. minus all items in numbers 1 & 2 above that are intended to be expensed in future years.

ON MOTION OF Member Baranowski, seconded by Member Castetter, the Committee approved the revised Administrative Rate Policy CFC-012.

AYES: Carr, Van Mouwerik, Castetter, Baranowski

ABSENT: Shelton, Smith

ABSTAIN: None

NOES: None

6. Fiscal Year 2008-09 Budget

Staff Member Chavez presented an updated FY 2008-09 budget that shows the impact of the four amendments authorized by the Commission's previous actions. She also presented a spreadsheet that shows the detail of increases to FY 2008-09 budget as a result of the Commission's budget amendments. She specifically discussed amendments 3 and 4. Discussion was centered on finding out the best way to present the budget as a result of the changes the Commission authorized; the recommendation was to take into consideration the definition Operating Budget described above.

7. Fiscal Year 2009-10 Budget and 10-Year Plan

Staff Member Chavez reviewed the first draft of the FY 2009-10 budget and the resulting changes in the Commission's 10-year plan, and detail of prior Commission obligations. Ms. Chavez presented the budget expense detail, by line item.

The Committee expressed major concerns with the high costs for Specialized Services Contracts, specifically: Technical Writing, Special Projects, Parent Development Specialist, and Strategic Planning. Chairman Carr said that in light of the current economic crisis, the language supporting the work that these consultants will be doing needs to be stronger.

Staff Member Cherry presented the 10-Year Financial Plan which includes all Commission actions through January 12, 2009. Two draft scenarios of the 10-Year Finance Plan were also reviewed. They will be presented to the Commission on March 9.

8. Executive Director Report

Executive Director Spiegel provided the latest update on the recently passed state budget and a number of implementing bills, including ABX3 17 that diverts Prop 10 funds. Written information on the bill prepared by the First 5 Association of California, including its analysis of the provisions of the bill, was also shared with the Committee. She reported that ABX3 17 will go before the voters as a ballot initiative in a special election on May 19.

9. Future Agenda Items

- Long Term Financial Plan Report
- FY 2009-10 Budget – Final Review

10. Adjournment

Chairman Carr adjourned the Finance Committee meeting at 10:40 am., to reconvene at 9:00 a.m. on March 24, 2009.

Notes by Nila Breuhan