



# MINUTES

## February 8, 2018

### I. Call to Order

This Special Meeting of First 5 Imperial was called to order at 3:45 p.m. by Barbara Deol, Commission Vice Chair. The meeting was held at the Imperial County Administration Building Meeting Room C/D which is located at 940 W. Main Street in El Centro, California, whereby a quorum was established.

### II. Roll Call

**Commissioners Present:**

- Yurii Camacho
- Barbara Deol, Vice Chair
- Becky Green
- Joong S. Kim
- Fred Miramontes
- Peggy Price
- Danila Vargas

**Commissioners Absent:**

- Karla A. Sigmond
- Ray Castillo

**Others:**

- Julio C. Rodriguez, Director
- Bea Duran
- Roger Tubach

### III. Public Comment

None was noted.

### IV. Adoption of Minutes

A motion approving the Minutes of the Regular Meeting held on December 7, 2017 was made by Commissioner Green and it was seconded by Commissioner Miramontes; having noted no further discussion or public comment the motion carried with all in favor.

### V. Consent Calendar Items

A motion approving the consent calendar items for the Special Meeting of February 8, 2018 was made by Commissioner Green and it was seconded by Commissioner Camacho; having noted no further discussion or public comment the motion carried with all in favor.

### VI. Administrative Report (Julio C. Rodriguez, Executive Director)

1. Request to Approve First 5 Imperial Audit Report for FY 2016-2017: Mr. Roger Tubach, CPA, reported that the Audit FY 2016-2017 was submitted to First 5 California and the California State Controller’s Office. He provided a summary of the audit highlighting the following:
  - The basic financial statements are comprised of three components which are the government-wide financial statements, fund financial statements, and the notes to the financial statements.
  - Mr. Tubach noted that there wasn’t much of a change when comparing the current year and the previous fiscal year spending balances, and he stated that consistency is a good thing.

- The beginning fund balance of the Commission, which is sometimes referred to as net assets or capital, was \$5,327,479. This balance is derived by taking assets and cash, and subcontracting liabilities.
- Revenue for the audited year consisted of payments received from the Proposition 10 apportionment, First 5 California grants, interest gained from the County Treasurers interest earned pool fund, and various small reimbursements.
- The Commission's net position consists of Committed Funds at \$2,239,727; Assigned Funds at \$2,681,213; and Unassigned Funds at \$277,123. The Committed funds are for programs such as School Readiness, First 5 Impact and Impact HUB. Assigned funds are designated for the local grant awards; it also includes encumbrance amounts from the previous year. The Unassigned funds is what is left over in the years to pay normal operating expenses.
- Mr. Tubach stated that based on the findings the determination is that the Commission is at a healthy standpoint. He further stated that he didn't encounter any significant difficulties or encountered any issues or problems during the audit; this is stated in his letter to Governance which is addressed to the Board.
- Mr. Tubach did, however, point out two matters which he recommends the Commission should address. The Commission is dealing with two different financial systems; the County Auditor's oversees all income and expenditures except for payroll. The Commission has contracted with a local bookkeeping business to handle their payroll, and thus had to open a separate bank account specifically for payroll purposes. His recommendation is that Commission staff, with his assistance, get together and discuss what would work best for the purpose of integrating the two processes.
- The second matter is in reference to the cost allocation procedures. A report is presented to the Commission Board every year which breaks down the budget among administrative costs, program costs, and evaluation costs. The Commission's policy on administrative costs is that they not exceed 15 percent of the overall budget. Mr. Tubach pointed out that his audit fees are not an administrative cost, rather, they are considered a program cost; this should be revised. Another matter is in reference to allocating rent based on square footage, including the proration of telephone and utility expenses by programs. He is recommending that a time study (for a week) be conducted on staff in order to help determine the percentage of time they spend on the individual cost categories by program.
- In closing, Mr. Tubach stated that the financial standing of the Commission is very healthy and Commissioners are doing a very good job for the community.

A motion approving the First 5 Imperial Audit Report for FY 2016-2017 was made by Commissioner Green and it was seconded by Commissioner Miramontes; having noted no further discussion or public comment the motion carried with all in favor.

2. Community Development Mini-Grant FY 2018-2019: Commissioners discussed the release of the Community Development Mini-Grant taking into consideration potential changes to the guidelines and the application. The following points were noted:
  - The allocation amount for the total number of mini-grants that may be considered for funding is \$100,000. Between four to six mini-grants may be funded. Currently, the Commission is funding a total of five mini-grants. The maximum award for an individual mini-grant is \$25,000 or it could be less.
  - Mini-grants are open to public and non-profit agencies. In the past, however, the Commission has worked with the Imperial Valley Community Foundation who has represented mini-grant individuals or coalitions who lack the non-profit status. The Foundation serves as fiscal agent of the project and ensures compliance of the proposed

services. The Commission noted it may be open to other non-profit representations on behalf of coalitions or start-up agencies.

- Commissioners reviewed the Community Development Mini-Grant Timeline and acknowledged the dates as established and agreed to moving forward with it.
- Step 1 is the first part of the process which is the submission of the Statement of Interest to Apply document (included in the application guidelines). This form is due March 12, 2018 by 4:00 pm to the County Purchasing office. The Statement was thoroughly reviewed and no changes were recommended.
- Once received, all Statements are forwarded to Commissioners and are reviewed during an open meeting held by the Commission, which is scheduled on April 12<sup>th</sup>. At this time, Commissioners will be making a determination on the projects they will be inviting to apply for a potential mini-grant; this initiates Step 2 of the mini-grant process.
- A revision was made to the language on page 5, item C, of the Community Development Mini-Grant Guidelines to state "It is the responsibility of the applicant to ensure that Statements are received at the Imperial County Purchasing office by the due date and time".
- Each section of the mini-grant Guidelines was reviewed and no further changes were identified.

Brief discussion continued regarding Step 2 of the mini-grant process; Commissioners talked about the selection and rating of mini-grant projects. They noted conflict of interest matters and talked about pertinent goals identified by the Commission.

A motion approving the release of the Community Development Mini-Grant FY 2018-2019 was made by Commissioner Kim and it was seconded by Commissioner Camacho; having noted no further discussion or public comment the motion carried with all in favor.

3. Request to Approve Annual Report FY 2016-2017 & Submittal to First 5 California: Mr. Rodriguez reported that the Annual Report was submitted via a web-based program to First 5 California by the due date, and that the information included in the report was based on the information gathered from the grantees' quarterly reports specifically the 4<sup>th</sup> Quarter reports included in this packet. Because it is a web-based submission, Mr. Rodriguez advised that the Commission has to approve of the documents after submission.

He further explained that the report was broken up into three sections. Section AR1 consisted of the revenue and expenditure summary; this data had to coincide with the auditor's report. Section AR2 was a breakdown of narrative for demographic data that has to fall within the three result areas which are family functioning, child health, child development or early care and education. He noted that systems change is incorporated into each of the three result areas. Section AR3 consisted of an evaluation summary.

A recommendation to update some of the information contained within the Commission Membership roster was noted at this time.

A motion approving the submittal of the Annual Report FY 2016-2017 to First 5 California via web-based submission was made by Commissioner Kim and it was seconded by Commissioner Miramontes; having noted no further discussion or public comment the motion carried with all in favor.

4. Request to Appoint an Ad Hoc Bylaws Committee for First 5 Imperial: Mr. Rodriguez sought approval to re-authorize the appointment of an Ad Hoc Bylaws Committee. He further explained

that about two years ago the Commission had intended to update the Bylaws, however, due to attorney representation turn-over and preparation for release of the RFP for the 2017-2019 cycle the endeavor was not possible. It was the recommendation of Mr. Grillot, Commission counsel, during the past December Commission Meeting that the Commission move to make necessary changes to the Bylaws.

The task of the Committee will be to change the meeting schedule, update the membership representation, to incorporate recommendations that counsel is making, and any other changes the committee may want to address. Commissioners agreed that the Ad-hoc Committee should consist of two to three members, and that any recommendations for changes be brought back to the full membership.

It was the general consensus of the Commission that Mrs. Sigmond, Commission Chairperson, would set-up the committee; persons interested should contact Julio Rodriguez by email.

A motion was made by Commissioner Camacho and it was seconded by Commissioner Vargas authorizing Chairperson Sigmond to appoint an Ad Hoc Bylaws Committee for the purpose of reviewing and updating the Commission Bylaws; having noted no further discussion or public comment the motion carried with all in favor.

5. Quality Start Program Update: Mr. Rodriguez explained that he first wished to discuss this agenda item with the Commission which could possibly lead to a solution thus requiring the Commission to take action. He explained that the First 5 Impact Program is built on steps that lead to rating child development sites that would fit under a public rating system, this is just one among many other components of the program. The program employs two Early Learning Specialists in addition to one Consultant who does coaching with the family childcare sites. There has been a set-back in the program due to the fact that the Early Learning Specialist, Elizabeth Zumaya, who was fully trained on all certifications for rating has left the Commission and pursued another job with the Imperial County Office of Education. Because of these circumstances, Mr. Rodriguez feels that they should move the other Specialist into the lead role, and, in addition, extend the work hours of the Consultant. Mr. Rodriguez went on to explain that if the Program were to hire another individual for this role, it would probably take that person two years to be fully certificated. This would greatly affect the First 5 Impact program. Mr. Rodriguez noted that Ms. Morlett is reliable in ECRS, is CLASS trained, and is a train-the-trainer in ASQs. She would be working with the Consultant who has practical experience in the ECE settings. The main reason for this move is the continuity of the program and the fact that 68 centers need to be rated, which would be her main focus.

Commissioner Green expressed concerns over the fact that the recommended individual does not have the practical experience. She further stated that it would be difficult for most teachers to listen to an individual who has not been in their position and who has not had that experience, even though the person may be qualified. Having the practical experience is critical when it comes to rating others.

At this time, a brief summary of the processes involved including rating scales, the criteria required, qualifications and factors related to the seven areas of assessment meeting the First 5 Impact Program were discussed.

Commissioner Green made a motion stating that she would approve Ms. Morlett as an interim until they find someone with practical experience and training, the motion was seconded by Mr. Kim; having noted no further discussion or public comment the motion carried with all in favor.

6. Long-Term Financial Plan 2017-2027: Mr. Rodriguez informed Commissioners that staff is working on updating the Commission's Long-term Financial Plan. Updates that are still pending to be incorporated includes the adjustments in tobacco tax revenues, Proposition 56, the backfill funds from Proposition 99, and then the possibility that more revenue may be collected based on the re-classification of e-cigarettes to tobacco products. The data is provided by the Department of Finances and/or Board of Equalization. The updated Long-Term Financial Plan presented covers years 2017 up through year 2027. Changes will be incorporated into a final draft which will then be presented to the Commission for approval.

Discussion continued regarding the development of long term financial strategies, revenue projections, birth projections established by the Board of Equalization, and objectives to develop a 10 year plan to stabilize funding.

Mr. Rodriguez explained that initially the Commission established a reserve period by pulling out \$205,000 annually from revenue and set aside those funds to build its reserve base. Now, however, the Commission is on a sustained reserve period where it is using the reserve monies in order to maintain funding operations. He also stated the Commission can set a limit on the amount of monies that can be set-aside for the reserve. The total current reserve fund is \$5.8 million; whereas at end of this year based on the projections it may be at \$5.6 million.

The revenue for the reserve fund includes money coming in from the State Proposition 10 funds, not incorporating grants from First 5 California nor the interest collected which is generally less than 1 percent. Mr. Rodriguez stated that once more definitive data and information is established, the financial plan will change, and will be brought back to the Commission in April or June.

7. Grantees 1st Quarter Progress Reports for FY 2017-2018: Mr. Rodriguez provided a summary of the First Quarter projects for 11 major grants and 5 mini-grants. Further discussion continued about programs that are under-expensed, less than 1 percent during this first quarter reporting period. Brief discussion continued regarding the Imperial County Free Library project, the Imperial County Office of Education Headstart project, and the Imperial County Office of Education Inclusion project, and further clarification of the budgets was done. New Commissioners were informed about the process for grantees reporting which was followed by a question and answer session.

## **VII. Commissioner Comments**

Commissioner Kim commented as to whether the marijuana sales taxes would benefit Proposition 10.

## **VIII. Adjournment**

A motion adjourning the Commission meeting was made by Commissioner Camacho and it was seconded by Commissioner Green. Having noted no further comments and by unanimous vote, the meeting was adjourned at 5:23 pm. The next meeting of the Commission is scheduled for February 1, 2018.