



COMMISSION MEETING

Minutes

Monday, October 5, 2015, 6:00 pm
1485 Civic Court, Suite 1200
Large Conference Room
Concord, CA

1.0 Call to Order and Roll Call

The meeting was called to order at 6:11 PM by Chairwoman PJ Shelton.

Commissioners in attendance were: Kathy Gallagher, Gareth Ashley, Barbara Cappa, John Jones, Supervisor Candace Andersen, Dr. William Walker, and Joan Miller

Alternates present were: Belinda Lucey, and Katharine Mason.

Also present was Deputy County Counsel, Keiko Kobayashi.

Absent: Commissioner Maria Fort; Alternates Matt Regan, Supervisor Karen Mitchoff, and Kathy Marsh.

2.0 CLOSED SESSION

Public Employee Performance Evaluation

Title: Executive Director

The commissioners went into a ten minute closed session.

3.0 Public Comment

Sharon Bernhus from Shelter Inc. thanked First 5 Contra Costa for its support of the Mountain View House over the past decade at a time when essential service was most needed. She expressed hope that First 5 would support the shelter with links to other funding sources during the transition. She also introduced their new director of Program Operations, Leslie Gleason.

Angela Gattis, Family Support Specialist from CARE Parent Network informed the Commission of the need for more parent support for children with special needs. Estela Nunez also expressed her concern as a parent of a child with special needs, for the need of more available support.

Commissioners thanked both Angela and Estela for their commitment in helping support parents of children with special needs.

4.0 Approval of Consent Calendar

Motion to approve the consent calendar was made by Gareth Ashley and seconded by Kathy Gallagher.

AYES: PJ Shelton, Kathy Gallagher, Gareth Ashley, Barbara Cappa, John Jones, Candace Andersen, Dr. Walker and Joan Miller.

NOES: None

ABSTAIN: None

Motion was **APPROVED**.

5.0 Consider for discussion any items removed from the consent calendar.

There were no items from the consent calendar removed for discussion.

6.0 Consider accepting the Fiscal Year 2014-2015 Financial Audit.

Sean Casey explained that due to the exceptional complexity of new government accounting standards, the Commission's auditors were not able to complete the audit by the time the agenda for the meeting was posted, on October 1st. The completed audit materials were received by staff the morning of the meeting, October 5th.

PJ Shelton opened the public hearing on the First 5 Contra Costa Annual Financial Audit 2014-2015.

Roger Alfaro, representing Vavrinek, Trine, Day & Co. reviewed the audit reports with the Commission. He discussed the following:

The Commission received an unmodified opinion, which is the highest form of opinion, on the financial statements, with no findings.

As a result of new Governmental Accounting Standards Board (GASB) standards, the Commission adopted two new statements of financial accounting standards, GASB 68 and GASB 71. These established standards of accounting and financial reporting for defined benefit pensions provided to employees of governmental employers through pension plans that are administered through trusts. Alfaro noted that First 5 Contra Costa was one of the first First 5 Commissions incorporating the new GASBs to complete their audit.

There were no material weaknesses and no issues with internal controls. No instances of non-compliance were found.

At the close of fiscal year 2014-2015, the Commission's assets plus deferred outflows exceeded its liabilities plus deferred inflows by \$29 million, a decrease of 21% from the previous year. Of this amount, \$733,942 was the net investment in capital assets and \$718,030 was restricted for Thomas J. Long Foundation grants. The remaining net position, \$28,506,048 was available to meet the Commission's ongoing obligations. The change in net position was due to recognition of the net pension liability as a result of adopting GASB 68 and the Commission's planned use of resources to keep program funding stable, in line with budget expectations. Alfaro explained that the governmental fund financial reports are not affected by GASB 68.

PJ Shelton asked the Commission and the public if they had questions regarding the reports given. The Commission asked for clarification of the impact the implementation of GASB 68 had on the Commission's prepayment towards its unfunded pension liability in 2013. The auditors explained that the prepayment results in discounted retirement rates for the Commission over 11 years and a lower pension liability, resulting in significant savings.

PJ Shelton closed the public hearing.

Kathy Gallagher made a motion to adopt the Annual Financial Audit for Fiscal year 2014-2015, seconded by Dr. Walker.

AYES: PJ Shelton, Kathy Gallagher, Gareth Ashley, Barbara Cappa, John Jones, Candace Andersen, Dr. Walker and Joan Miller.

NOES: None

ABSTAIN: None

Motion was **APPROVED**.

7.0 Consider accepting the 2016 premium contribution rates for active employee health and dental benefits, and maintaining existing contribution rates for health and dental benefits for retirees.

Sean presented the 2016 premium contribution rates for active employees. Plan premiums are set to increase by a range of 1% to 11.8% depending on the plan. The two dental plans remains unchanged, and the cost of the vision plan has decreased 4%. Open enrollment for staff will begin mid-October 2015.

Commissioners asked how the best possible rates were obtained; staff explained that the County negotiates the plan premiums. The Commission's costs are far more sensitive to staff plan choice than to annual changes in rates. Staff includes a cushion each year in the budget to anticipate potential cost increases.

John Jones made a motion to accept the 2016 premium contribution rates for active employee health and dental benefits and maintaining existing contribution levels for health and dental benefits for retirees. Barbara Cappa seconded the motion.

AYES: PJ Shelton, Kathy Gallagher, Gareth Ashley, Barbara Cappa, John Jones, Candace Andersen, Dr. Walker and Joan Miller.

NOES: None

ABSTAIN: None

Motion was **APPROVED**.

8.0 Approve the First 5 Contra Costa 2016–2020 Strategic Plan & Long-Term Financial Plan.

Sean reported that final draft of the plan includes Commissioners' recommendations from the discussion at the September 14, 2015 Commission meeting, including prioritizing direct services investment that benefit families in greatest need so as to reduce disparity (page 9); adding the Commission's commitment to supporting countywide efforts to boost family economic security and reduce poverty (page 11); and addressing the more detailed updates on the Early Childhood Education Initiatives' Indicators of Countywide Progress (page 12).

John Jones asked that the Commission be given updates whenever shifts and refinements are applied to the services.



Candace Andersen made the motion, seconded by Dr. Walker, to approve the First 5 Contra Costa 2016-2020 Strategic Plan & Long-Term Financial Plan.

AYES: PJ Shelton, Kathy Gallagher, Gareth Ashley, Barbara Cappa, John Jones, Candace Andersen, Dr. Walker and Joan Miller.

NOES: None

ABSTAIN: None

Motion was **APPROVED**.

9.0 Update on process of nomination of Commission officers for 2016

Sean Casey reported that the Executive Committee confirmed that the Nominating Committee this year consists of chair Belinda Lucey with Matt Regan and Wanda Session. A meeting will be set before the upcoming December Commission Meeting and updates will be reported then.

10.0 Executive Director's Report

Many of our staff participated in the annual First 5 Staff Development Summit in Los Angeles. Over 200 staff from First 5s around the state participated, including California First 5, providing many opportunities to meet with colleagues from around the state. Evaluation Manager Lyn Paleo moderated a Q&A session on dashboards and evaluation reports with Evaluation Specialist Denece Dodson. Grants and Contracts Manager Lisa Johnson was a panelist in a session regarding contract management. And Sean Casey moderated the orientation session for over 50 staff members new to First 5. Much of the discussion at the Summit highlighted advocacy work, potential tobacco legislation, early childhood education, and early intervention.

Sean informed that District 1 Alternate, Mister Phillips, has resigned. He noted that we currently have two other vacancies that we are working with the districts to fill.

Sean pointed out the two items from the First 5 Association included in this month's packet. One handout describes the Association's support for the regulation of e-cigarettes. The other describes the decline of tobacco revenue and the importance of backfills to existing tobacco revenue streams in any future tobacco tax increase measures.

11.0 Communications

There were none received.

12.0 Commissioner F.Y.I. Updates

13.0 Adjourn

The meeting was adjourned at 7:30 PM.