

COMMISSION MEETING MINUTES

Thursday, March 26, 2009**Every Child Counts
1100 San Leandro Blvd., Suite 120
San Leandro, Ca 94577
Conference Room A**

9:00 AM – 11:30 AM

Commissioners Present: *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Helen Mendel, CMD, Alex Briscoe, Rosemary Obeid, Deborah Roderick Stark, Dr. Albert Wang**Staff Present:** Mark Friedman, Janis Burger, Rebecca Gebhart, Teddy Milder, Deborrah Bremond, Nancy Lee, ZeeLaura Page

Chair Pamela Simms-Mackey called meeting to order at 9:02 am.

REGULAR COMMISSION MEETING**1. Public Comment on items not included on the Agenda**

There was no Public comment.

2. Approval of minutes from February 26, 2009 – Action

Commission Action: The Commission approved the minutes from February 26, 2009 with one amendment on page 8, to include the name of which commissioners abstained from contract authorizations upon motion by Vice Chair Mendel seconded by Commissioner Obeid and unanimously carried (6 in favor, 0 opposed, 3 absent).

PROGRAM**3. Program Presentation - Special Start**

Deborrah Bremond, Director of Family Support Services introduced Sue Greenwald.

Ms. Greenwald presented 10 years of Special Start: Serving Children and Families with Multiple Risks. Ms. Greenwald presented the history of the Special Start program a model designed to look at babies and identify the children that have the highest risk or special need. Ms. Greenwald showed a PowerPoint presentation showing the faces of children, history and data of the program, short stories, and introduced 2 case managers Fran Meriwether (Children's Hospital) and Carol McGregor (Public Health). The program serves 600 families each year. 79 % of the families qualify for health insurance, and 13% of the mothers are teen parents.

4. 2009-13 Strategic Plan - Action

a. 2009-13 Strategic Plan Recommendation

Janis Burger, Deputy Director presented the final 2009-13 Strategic Plan. She stated that most of the Commissioners have already had the opportunity to review and provide input into the Strategic plan during the task force meeting and Executive Committee meeting. She stated that the additional guiding principle for narrowing disparities grew out of the work of the task force. She stated that all of the work that we do is really setting the stage for narrowing disparities.

Mike Smith from SEI presented the final strategic plan draft. He stated that almost exactly one year ago the Commission approved the Strategic Planning process. He stated that since the last Commission meeting there was a task force meeting on disparities, a Commission planning task force meeting, and the Executive Committee meeting. Mr. Smith stated that the specific changes to the Strategic Plan draft version were as follows:

- Page 3 a “who we serve” section was added as suggested from that last Commission meeting
- Page 4 the Narrowing Disparities guiding principle was added
- Page 9 the lay out was formatted for readability
- Page 10 the connection with addressing disparities in quality child care was added
- Page 17 wording changes to financial allocation and framework
- Page 19 addition to language on what sustainability involves, not just financial sustainability
- Page 23 the addition of the accountability diagram

Mr. Smith stated that the separate document on strategies by disparities was not included.

b. Contingency Plan Recommendation if Ballot Measure passes

Deputy Director Janis Burger presented the contingency plan recommendation in the event that the ballot measure 1D passes. Ms. Burger stated that it is recommended that adoption of one-year Strategic Plan be implemented only in the event that Measure 1D passes on May 19, 2009. She stated that the Strategic Plan would include one year of program activities that have already been determined by the 2009-13 Strategic Planning process. The rationale for keeping this stable program level is

- a. to give the Commission adequate time to develop priorities for the reduced funding level,
- b. to give community agencies and programs adequate time to plan transition strategies to minimize disruptions to high risk families,
- c. to provide adequate time to identify alternative sources of funding for programs, such as federal stimulus, IV-E savings, Substance Abuse and

- Mental Health Administration funding, and revenue maximization through fiscal leveraging,
- d. to provide adequate time to develop and implement a organizational contraction based on Commission priorities.

Ms. Burger stated that some minor adjustments to the plan would be made for programs that were proposed in the 2009-13 Strategic Plan process that required a multi-year ramp up. A report on the minor adjustments would be presented to the Commission on June 25, 2009.

Ms. Burger stated that if 1D did pass planning for reductions will occur in June, July, August and September to determine revised program priorities based on a significantly reduced funding level. This planning will result in a revision to the Strategic Plan, effective 2010-2013. The three-year Strategic Plan proposal will be brought to the Commission for the first reading in October 2009 with final adoption in December 2009.

c. Public Comment on Strategic Plan items (a.) and (b.)

Irene Casanova from Tiburcio Vasquez Health Center spoke in favor of renewing and continuing the direct services in First 5 Programs.

Gay McDaniel from Tri City Homeless Coalition stated that she is in support of the contingency plan that allows providers to transition services during this time. She stated that her program provides a safely net to children and families. She stated that they are currently providing services to approximately 200 children at any given time. 25 % are young mothers that have emancipated from foster care. She stated that if they can keep the funding for at least 1 year it will give them time to seek additional funding.

Barbara B. McCullough spoke to support the thoughtfulness of the contingency plan to give programs a year for the devastation that is going to follow if 1D passes. She stated that will be devastating to the programs and also to the parents. She stated that they are communicating to all of the community partners what will happen to these families if this program is dismantled.

Rachel Logan from Berkeley YMCA stated that they serve children 2-4 year olds with special needs. She stated that she is here today to ask the Commission to consider adopting plan B. She stated that her program serves many families that would not otherwise receive services. She stated that her program serves the whole family, and provides tools for parents to advocate for the rights of their children.

Angie Garling from the Child Care Planning Council stated that her public comment is on the San Leandro BART station plan development for the build out of the child care center. She stated that the city of San Leandro is on the fence about development and that she has a sample letter that people could send to the city of San Leandro to help support the childcare center at the San Leandro BART. She also announced that the first online ECE professional development survey is underway.

d. Deliberation and Vote on Strategic Plan items (a.) and (b.)

Commission Action: The Commission approved the 2009-13 Strategic Plan with the Disparities document included in the appendix upon motion by Commissioner Wang, seconded by Commissioner Obeid and unanimously carried (6 in favor, 0 opposed, 3 absent).

Commission Action: The Commission approved the Contingency plan recommendation upon motion by Vice Chair Mendel, seconded by Commissioner Roderick Stark and unanimously carried (6 in favor, 0 opposed, 3 absent).

5. State Commission and Association/Legislation – Information

Mr. Friedman reported that yesterday's Water Cooler conference in Sacramento was very well attended. He stated that there have been no Stated Commission or Association meetings since the last commission meeting.

INFRASTRUCTURE

6. 2009-10 Budget Proposal - First Reading - Action

Ms. Gebhart stated that this presentation is the first reading of the 2009-10 budget proposal. Staff will prepare the second and final reading for the May Executive and Commission meetings, and will incorporate in the interim any changes directed by the Commission as well as new information, if any, related to the Tobacco tax and other revenue streams. In addition, the presentation in May will include the list of contracts that exceed \$25,000 which require Commission authorization.

Ms. Gebhart stated that the budget provides a summary of revenue projections with rationales. In addition, the document will provide each program's total expenses. The total program costs include First 5 staff salaries and benefits, grants, contracts, stipends, training expenses, and space rental.

She stated that allocable costs (administrative overhead) accumulate in the Administration cost center in the first reading of the budget, and will be allocated to programs in the second reading of the budget in May to obtain the "fully loaded cost" of each program. The expense spreadsheet provides the expense projections by division.

She stated that the expenses are presented by the program divisions within the agency. The table in the budget narrative shows:

- the program name
- the 2008-09 budget (adopted by the Commission on February 26, 2009)
- the 2009-10 budget projection
- funding sources for the program and
- the Strategy area in which the program resides in the 2009-13 Strategic Plan

Ms. Gebhart stated that the Revenue and Available Funding projection for 2009-10 is \$24,769,010 and the Expenses projection is \$24,769,010. She stated that pursuant to statute, First 5 costs must be segregated into Program, Evaluation and Administrative costs. The total level of Program, Evaluation and Administration spending is consistent with the 2009-13 Strategic Plan Funding Allocation proposal, Program \$21,334,009, Evaluation \$1,376,294, and Administration \$2,058,700 totaling \$24,769,010.

She stated that the budget has been balanced, per Commission authorization, with funds from the Sustainability Fund in the amount of \$4,838,187. She stated that this amount is in the range of the Long Range Financial Plan presented in January 2009, which proposed up to \$5,855,100 to be used from Sustainability Funds to balance the budget.

Commission Action: The commission approved the 2009-10 Budget Proposal-First reading upon motion by Vice Chair Mendel, seconded by Commissioner Wang and unanimously carried (6 in favor, 0 opposed, 3 absent).

7. 2008-09 Investment Report – Information

Ms. Gebhart presented the 2008-09 Investment Report. Ms. Gebhart stated that there were numerous changes in the portfolio in January and February. She reported that in January, Chandler Asset Management (CAM) made a number of sales and purchases that reflect the change in the Investment Policy made in late June 2008. In that policy revision, the restriction of the percentage of federal government agency instruments was eliminated. CAM determined that it was advantageous to sell Treasuries for realized gains, and to purchase agencies. The yields of the agencies purchased are similar to the yields of the treasury notes sold.

Ms. Gebhart stated that in addition, the CAM average duration was short, and several sales were made of instruments with maturity dates of 2010 and 2011. CAM then purchased similar instruments with longer durations, such as 2012 and 2013. For example, a JP Morgan Chase instrument with a maturity date of 6/1/11 was sold and another JP Morgan Chase instrument purchased with a maturity date of 5/01/13. Finally, several holdings were sold by CAM due to concerns about decreasing or poor credit quality. These holdings included Abbott Labs and Morgan Stanley Dean Witter.

Ms. Gebhart stated that in February, CAM sold American General Finance, an instrument that has been on watch since fall of 2008 and is owned by AIG. The cost was \$174,951 and the selling price was \$85,500, incurred a long term capital loss of \$89,451. The loss for the period of January and February was offset by all of the gains made by strategic sales.

Ms. Gebhart stated that MBIA Municipal Investors has informed us that they are putting two instruments on watch. One is a \$175,000 Household Finance instrument that matures in October 2011. It is owned by HSBC, Europe's largest bank and one considered "too large to fail". The rating is on a downward trend but the MBIA recommendation is to hold it until maturity. If sold now, it would realize a loss of

\$30,000 - \$40,000. The second instrument on watch is a \$1 million General Electric instrument that matures October 2012. It is anticipated to be downgraded although as of last week it was still AAA. The recommendation is to try to hold until maturity. A sale now would incur a significant loss.

She stated that the total Investment income after the reversal of the accrual was \$917,273.

8. 2008-09 Financial Report– Information

M. Gebhart presented the 2008-09 Financial Report. Ms. Gebhart stated that as of February 28, revenue was \$10,883,551, or 50.8% of the revenue projection. She stated that being below the budget projection at this time of year is not unusual; at the end of the third quarter last year (March 31, 2008), the revenue was 46% received rather than 75%.

Ms. Gebhart stated that total expenses are \$13,088,554, which is 46.68% of the budget amount of \$28,037,554. She stated that this amount is consistent with spending patterns from prior years; at the end of the third quarter last year (March 31, 2008), the budget was 59% spent rather than 75% spent.

Ms. Gebhart stated that the Revenue and Expenses are appropriate for this time of year and there is no additional fiscal impact. She stated that it is important to note that General Expenses that are allocated to all programs are posted throughout the year to the Administration budget (which then appears to be going “over budget”.) However, costs are allocated across programs at year-end.

9. 2008-09 Contract Authorizations – Action

Ms. Gebhart presented the Contract Authorizations to the Executive Committee.

- First 5 requests Commission approval for a \$20,000 contract with the Alameda County Public Health Department (ACPHD) to provide the local match needed to support the SART referral phone line position and enable hiring by the April 15, 2009 target date. ACPHD currently receives \$867,500 in other awards from First 5. The addition of \$20,000 brings the aggregate contract amount to \$887,500 for which Commission approval is needed.
- First 5 is requesting approval for a sole source contract with Alameda County Health Care Services Agency (AC HCSA) to manage the disbursement of \$100,000 to agencies as matching funds are committed and become available. First 5 currently has a \$1,433,609 contract with AC HCSA for the Special Start program. The addition of a \$100,000 contract would bring the aggregate contract amount to \$1,533,609 for which Commission approval is needed.

Commission Action: The Commission approved the above contracts upon a motion by Vice Chair Mendel, seconded by Commissioner Wang (1 in favor, 0 opposed, 1 Commissioner Briscoe abstained, 3 absent).

- The Family Resource Network currently has a two-year Community Grant of \$150,000 for FY2007-09, and the proposed contract for Family Navigation will not exceed \$30,000 for 2008-09, for a total contract authorization of \$180,000.

Commission Action: The Commission approved the above contracts upon a motion by Commissioner Wang, seconded by Commissioner Roderick Stark (4 in favor, 0 opposed, Chair Simms-Mackey and Commissioner Obeid abstained, 3 absent).

10. Personnel Policies Revision– Action

Ms. Gebhart presented the personnel policy revision. She stated that among other provisions, the reduction in workforce policy provides severance pay to employees who are terminated due to a reduction in workforce. The severance pay provided is two weeks per year worked. She stated that currently there is no cap or maximum number of weeks specified in the policy. She stated that the proposed revision to the policy is to add that the maximum number of weeks that an employee will be paid for severance is 18. The cap limits the fiscal impact of the policy.

Commission Action: The Commission approved the Personnel Policy revisions upon motion by Commissioner Obeid, seconded by Commissioner Wang and unanimously carried (6 in favor, 0 opposed, 3 absent).

Vice Chair Mendel and Commissioner Briscoe leave the meeting.

MISCELLANEOUS

11. ECChange and ECC-Online Demo

Teddy Milder, Director of Evaluation and Technology introduced the demonstration of ECChange and ECC Online. She stated that they are two state of the art systems. ECChange is used for case management purposes and for the First 5 accountability matrix. She stated that they help to promote best practices and are the result of a lot of partnering work. She introduced June Allen who presented that ECChange system and Chris Hwang who presented the ECC Online system.

12. Staff Announcements

Mr. Friedman announced that staff launched the Asian Community Parent kits at the Oakland Asian Cultural Center. He stated that the Asian media and Community partners attended.

Ms. Burger announced that the Program Committee meeting is scheduled for April 9th from 3:00-pm-5:00pm. She announced that Commissioner Obeid will be chairing the meeting.

| **13. Adjourn 11:35 AM.**