

Children's Services Council

## Finance Committee Meeting

Thursday, June 27, 2019, 3:30 p.m.

### AGENDA / MINUTES

#### Welcome and introductions

##### Finance Committee Members:

Thomas Bean, CSC and CSC Finance Committee Vice-chair, **Present**

Tom Weber, CSC Chair, **Present**

Paul Dumars, Director Financial Services, Solid Waste Authority, **Present via telephone**

John Marino, Volunteer, **Present**

##### CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO, **Present**

Debra Heim, CFO, **Present**

Tom Sheehan, General Counsel, **Present**

Elsa Sanchez, Senior Executive Assistant, **Present**

#### Agenda Items:

1. The Finance Committee elected Thomas Bean as Chair and Tom Weber as the Vice Chair of the Committee
2. Minutes – May 23, 2019, **Recommends Council to approve**
3. Monthly Investment Report – May 31, 2019, **Reviewed, no action required**
4. Financial Statements – May 31, 2019, **Recommends Council to approve**
5. CSC Proposed 2019/2020 Budget and related 5 year Forecast
  - A. 0.6497 Millage Rate (Recommended)
  - B. 0.6590 Millage Rate
  - C. 0.6403 Millage Rate

The three budget models and related 5 year forecasts were reviewed. The assumptions and differences between the models were discussed. The Property Appraiser's office certified the preliminary taxable value earlier today which resulted in approximately \$500,000 in additional Ad Valorem Revenue. Staff discussed the uncertainty related to Interest Income and Grant Revenue projected related to the Healthy Start Coalition. For those reasons, staff recommended keeping the Millage Rate at 0.6497.

The Finance Committee agreed and recommends Council to tentatively approve the Millage Rate recommended by staff at 0.6497.

6. Adjournment

**Discussion/Information:**

1. FEITF (Florida Education Investment Trust Fund) changed its name to FL PALM (Florida Public Assets for Liquidity Management) to reflect the diversity of entities that make up the fund. **No action required**
2. Fund Balance Policy discussion (time permitting, otherwise will be addressed at another meeting). **The Finance Committee discussed the inverted yield curve and potential for an economic downturn in the near future. There was discussion that there may be need for services by more children and families in Palm Beach County during that period and it may not be a time where we would want to reduce funding to providers.**

Government Finance Officers Association's (GFOA) Fund Balance best practices were discussed, which includes taking into account any unique circumstances that relate to the Council. The following unique circumstances were discussed:

- a. South Florida is vulnerable to severe weather (hurricanes) during times when no revenue is available. The Council and/or providers may need assistance.
- b. During economic downturn, homeowners may have difficulty paying tax bill during the early discount months (November, December, etc.) which could result in less revenue being received and/or the vulnerability of the timing of Council receiving those tax receipts.
- c. We provide advances to providers, especially at the beginning of each fiscal year, and could be as much as \$5 million.
- d. Revenue is received from grants (state and federal) and can fluctuate or cease.

Fund Balance is projected to be 30.3% at the end of fiscal year 18/19, assuming 5% under expenditures in fiscal year 18/19.

The fund balance policy was adopted on April 24, 2014, at which time the policy set a floor to retain a balance of at least 30% of the subsequent year budget. On March 31, 2016, the policy was revised to set a floor to retain at least 27.5% of the subsequent year budget.

The Finance Committee decided to revisit the Fund Balance policy after the end of this fiscal year.

3. Staff recommended changing "Accounts Receivable" on the Balance Sheet to "Other Receivables" to align with the annual Comprehensive Annual Financial Report (CAFR) and to begin including accrued interest in other receivables rather than in the Investment total. The Finance Committee agreed.

Next Meeting: August 1, 2019 2:45p.m. Time changed to 3:00pm