

Children's Services Council

Finance Committee Meeting

Thursday, September 1, 2016, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair
Thomas Bean, CSC Finance Committee Vice-chair
Greg Langowski, Chair Children's Services Council
Tom Weber, Vice Chair Children's Services Council
Paul Dumars, Director Financial Services, Solid Waste Authority
John Marino, Volunteer

CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO
Jennifer Diehl, CFO
Tom Sheehan, General Counsel
Elsa Sanchez, Senior Executive Assistant

Agenda Items:

- 1 May 26, 2016 and June 23, 2016 Minutes
- 2 July 31, 2016 Financial Statements
- 3 Proposed 2015-2016 CSC Budget Revision
- 4 TRIM Package
- 5 Investment Policy Revision
- 6 Other – Discussion of Financial Advisor presentation to Committee
- 7 Adjournment

Next Meeting: September 22, 2016

Children's Services Council

Finance Committee Meeting

Thursday, May 26, 2016, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Present**
Thomas Bean, CSC Finance Committee Vice-chair, **Present**
Greg Langowski, Chair Children's Services Council, **Present**
Tom Weber, Vice Chair Children's Services Council, **Not Present**
Paul Dumars, Director Financial Services, Solid Waste Authority, **Present**
John Marino, Volunteer, **Not Present**

CSC Staff:

Lisa Williams-Taylor, CEO, **Present**
Jen Diehl, CFO, **Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

- 1 Revised Minutes March 31, 2016, **Approved unanimously**
- 2 Minutes April 28, 2016, **Approved unanimously**
- 3 April 30, 2016 Financial Statements, **Approved unanimously**
- 4 Other, **Discussed scheduling of June 2016 meeting and confirmed would be the same day as the Council meeting**
- 5 Adjournment

Next Meeting: Tentatively June 15, 2016, **Revised to same day as Council meeting**

Children's Services Council

Finance Committee Meeting

Thursday, June 23, 2016, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Not Present**
Thomas Bean, CSC Finance Committee Vice-chair, **Not Present**
Greg Langowski, Chair Children's Services Council, **Present**
Tom Weber, Vice Chair Children's Services Council, **Present**
Paul Dumars, Director Financial Services, Solid Waste Authority, **Present**
John Marino, Volunteer, **Not Present**

CSC Staff:

Lisa Williams-Taylor, CEO, **Present**
Jen Diehl, CFO, **Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

- 1 May 26, 2016 Minutes – **No changes, action deferred due to lack of quorum**
- 2 May 31, 2016 Financial Statements - **Presented by staff**
- 3 Proposed 2016-2017 CSC Budget - **Presented by staff**
- 4 Summary for Presentation to Council- **discussed giving the staff authority to adjust the millage rate in the future to keep the ad valorem revenue the same as approved by Council**
- 5 Other – Discussion of Financial Advisor presentation to Committee – **In October**
- 6 Adjournment

Next Meeting: September 1, 2016

AGENDA ITEM: 2

TITLE: Financial Statements – July 31, 2016
(Unaudited)

STAFF: Jennifer Diehl, CFO, Children’s Services Council of Palm Beach County

SUMMARY:

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the ten months ended July 31, 2016. The audit of the Council for the fiscal year ended September 30, 2015 has been completed and the applicable figures represent audited numbers.

Balance Sheet:

As of July 31, 2016 the Council had \$68,970,053 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$32,540,846 was held in a public funds money market account, and \$232,701 was held in the Morgan Stanley Institutional Liquidity Prime Advisory Fund #8341. The remainder of the funds were on deposit in the Council’s operating accounts.

The Capital Assets and the Investment in Capital Assets for \$19,554,398 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at July 31, 2016 is 83.33%. The estimated expenditure rate for Children’s Programs at July 31, 2016 is 77.58%

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the July 31, 2016 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

July 31, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i>Prevention Partnership for Children, Inc.</i>	
<u>Assets</u>			
Cash & Investments	\$ 68,957,600	\$ 12,453	\$ 68,970,053
Accounts Receivable	798,169	-	798,169
Interest Receivable	155,300	-	155,300
Advances to Agencies	3,988,436	-	3,988,436
Prepaid Expenses	407,747	-	407,747
Due From - General Fund	-	263,733	263,733
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>93,861,650</u>	<u>276,186</u>	<u>94,137,836</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	7,204,911	268,330	7,473,241
Deferred Revenue	650,388	-	650,388
Accounts Payable	370,336	7,856	378,192
Due to - Special Revenue Fund	263,733	-	263,733
Total Liabilities	<u>8,489,368</u>	<u>276,186</u>	<u>8,765,554</u>
 Fund Balance			
Nonspendable:			
Prepaid Expenses	407,747	-	407,747
Assigned:			
Reserved in accordance with fund balance policy	33,491,795	-	33,491,795
Unassigned:	31,918,342	-	31,918,342
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>65,817,884</u>	<u>-</u>	<u>65,817,884</u>
	<hr/>	<hr/>	<hr/>
Investment in Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 93,861,650</u>	<u>\$ 276,186</u>	<u>\$ 94,137,836</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE TEN MONTHS ENDED JULY 31, 2016**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>					
	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	
	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	
	<u>Budget</u>	<u>7/31/2016</u>	<u>7/31/2016</u>			<u>Budget</u>	<u>7/31/2016</u>	<u>7/31/2016</u>			<u>Budget</u>	<u>7/31/2016</u>	<u>7/31/2016</u>			
Revenues																
Ad Valorem Property Taxes	\$ 102,176,959	\$ 98,909,681	\$ 98,909,681	\$ -	96.80%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 102,176,959	\$ 98,909,681	\$ 98,909,681	\$ -	96.80%	
Interest Income	300,000	250,000	641,411	391,411	213.80%	-	-	-	-	0.00%	300,000	250,000	641,411	391,411	213.80%	
Unrealized Gain or Loss	-	-	99,338	99,338	100.00%	-	-	-	-	0.00%	-	-	99,338	99,338	100.00%	
Department of Health/Agency for Health Care Administration	3,630,806	3,025,672	2,951,796	(73,876)	81.30%	-	-	-	-	0.00%	3,630,806	3,025,672	2,951,796	(73,876)	81.30%	
Palm Beach County Head Start Match	3,100,000	2,583,333	2,752,112	168,779	88.78%	-	-	-	-	0.00%	3,100,000	2,583,333	2,752,112	168,779	88.78%	
JPB Foundation	250,000	38,526	-	(38,526)	0.00%	-	-	-	-	0.00%	250,000	38,526	-	(38,526)	0.00%	
Income from Tenants	70,000	58,333	62,713	4,380	89.59%	-	-	-	-	0.00%	70,000	58,333	62,713	4,380	89.59%	
Other Income	100,000	83,333	261,963	178,630	261.96%	-	-	-	-	0.00%	100,000	83,333	261,963	178,630	261.96%	
Cash Carryforward	14,843,281	-	-	-	0.00%	-	-	-	-	0.00%	14,843,281	-	-	-	0.00%	
Total Revenues	124,471,046	104,948,879	105,679,014	730,135	84.90%	-	-	-	-	0.00%	124,471,046	104,948,879	105,679,014	730,135	84.90%	
Expenditures																
Administrative Expenditures	5,342,146	4,451,788	4,090,896	360,892	76.58%	-	-	1,232	(1,232)	100.00%	5,342,146	4,451,788	4,092,128	359,660	76.60%	
Capital Expenditures	250,000	208,333	200,042	8,291	80.02%	-	-	-	-	0.00%	250,000	208,333	200,042	8,291	80.02%	
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%	
Non-Operating Expenses	2,801,919	2,706,841	2,706,841	-	96.61%	-	-	-	-	0.00%	2,801,919	2,706,841	2,706,841	-	96.61%	
Reserve for Uncollectible Taxes	5,108,848	-	-	-	0.00%	-	-	-	-	0.00%	5,108,848	-	-	-	0.00%	
Children's Services Programs:																
Direct Services:																
Funded Programs & Initiatives	98,014,091	81,678,409	75,795,316	5,883,093	77.33%	2,682,701	2,235,584	1,974,758	260,826	73.61%	100,696,792	83,913,993	77,770,074	6,143,919	77.23%	
Support Services:																
Programmatic Support	9,771,341	8,142,784	7,935,691	207,093	81.21%	-	-	-	-	0.00%	9,771,341	8,142,784	7,935,691	207,093	81.21%	
Total Children's Programs	107,785,432	89,821,193	83,731,007	6,090,186	77.68%	2,682,701	2,235,584	1,974,758	260,826	73.61%	110,468,133	92,056,778	85,705,765	6,351,012	77.58%	
Total Expenses	121,788,345	97,188,156	90,728,786	6,459,370	74.50%	2,682,701	2,235,584	1,975,990	259,594	73.66%	124,471,046	99,423,740	92,704,776	6,718,964	74.48%	
Excess Revenues over Expenses			14,950,228					(1,975,990)					12,974,238			
Other Financing Sources (Uses)																
Transfers in (out)	(2,682,701)	(2,235,584)	(1,975,990)	(259,594)	73.66%	2,682,701	2,235,584	1,975,990	259,594	73.66%	-	-	-	-	0.00%	
Net Changes in Fund Balances			12,974,238										12,974,238			
Fund Balances																
October 1, 2015			52,843,646					-					52,843,646			
July 31, 2016			<u>\$ 65,817,884</u>					<u>\$ -</u>					<u>\$ 65,817,884</u>			

AGENDA ITEM: 3

TITLE: Proposed 2015-2016 CSC General Fund Budget Revision

STAFF: Jennifer Diehl, CFO

SUMMARY:

The proposed CSC Budget Revision to the 2015-2016 budget is submitted to the Finance Committee. The budget revision compares the originally approved budget to the proposed revision.

Expenditures

The following revisions to the budgeted expenditures are being proposed:

- An increase in Personnel expenditures of \$3,105 for higher than expected retirement health savings contributions
- An increase in Quantum Park Fees and Assessments of \$1,199 for additional Property Owners' Association fees
- An increase in Communications expenditures of \$1,767 for higher than expected voice/data expenditures
- An increase in Printing & Supplies of \$34,309 for additional meeting supplies and printing expenditures
- An increase in background checks of \$406 and Public Notices & Employment Ads of \$17,733 for higher than anticipated employee relation expenditures
- An increase in computer maintenance and support of \$33,805 for items affected by the capitalization threshold
- A net increase in capital expenditures of \$207,019 to accommodate for underexpended depreciable furniture and equipment and intangible software and databases offset by an increase in building improvements
- In order to offset these increase in expenditures totaling \$299,343, the under expended staff development, utilities, consulting and planning and policy line items have been decreased by this amount.

RECOMMENDATION:

We recommend the Finance Committee propose that the Council approve the proposed 2015-2016 CSC Budget Revision as submitted.

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED BUDGET REVISION
OCTOBER 1, 2015 - SEPTEMBER 30, 2016
GENERAL FUND**

	<i>APPROVED BUDGET <u>GENERAL FUND</u></i>	<i>PROPOSED REVISED BUDGET <u>GENERAL FUND</u></i>	<i>INCREASE/ (DECREASE)</i>
<i><u>EXPENDITURES</u></i>			
<i><u>PROGRAMMATIC SUPPORT AND</u></i>			
<i><u>ADMINISTRATIVE EXPENDITURES</u></i>			
FICA/FICA Med	593,907	593,907	-
Florida Unemployment	109,591	109,591	-
Health Plan	2,197,266	2,197,266	-
Long Term Disability	29,268	29,268	-
Other Fringe Benefits	124,800	124,800	-
Retirement	974,623	974,623	-
Retirement Health Savings	129,817	132,922	3,105
Salaries	7,941,325	7,941,325	-
Short Term Disability	25,186	25,186	-
Temporary Personnel	15,000	15,000	-
Tuition Reimbursement	65,000	65,000	-
Worker's Compensation	21,632	21,632	-
Sub-Total Personnel	<u>12,227,415</u>	<u>12,230,520</u>	<u>3,105</u>
Business Expense	3,000	3,000	-
Conference/Staff Develop	231,680	181,680	(50,000)
Council Member Travel	3,000	3,000	-
Travel In-Area	13,450	13,450	-
Sub-Total Travel	<u>251,130</u>	<u>201,130</u>	<u>(50,000)</u>
Maintenance & Security	450,000	450,000	-
Offsite Storage	2,000	2,000	-
Quantum Park Fees and Assessments	72,001	73,200	1,199
Utilities	200,000	175,657	(24,343)
Sub-Total Building Space	<u>724,001</u>	<u>700,857</u>	<u>(23,144)</u>
Postage	24,600	24,600	-
Telephone	50,000	51,767	1,767
Sub-Total Communications	<u>74,600</u>	<u>76,367</u>	<u>1,767</u>
Computer Supplies	20,000	20,000	-
Meeting Supplies	13,000	20,167	7,167
Photography/Video	50,000	50,000	-
Printing	103,000	130,142	27,142
Supplies	43,001	43,001	-
Sub-Total Printing & Supplies	<u>229,001</u>	<u>263,310</u>	<u>34,309</u>
Audit & Legal	103,400	103,400	-
Background Checks	2,000	2,406	406
Banking Services	5,000	5,000	-
Computer Maint & Support	260,521	294,326	33,805
Consulting	449,000	299,000	(150,000)
Copier Equipment	70,000	70,000	-
Dues	146,800	146,800	-
Inspector General Fee	173,419	173,419	-
Insurance	200,000	200,000	-
Investment Advisory Services	20,000	20,000	-
Planning & Policy Issues	75,000	-	(75,000)

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED BUDGET REVISION
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016
 GENERAL FUND**

	<i>APPROVED BUDGET <u>GENERAL FUND</u></i>	<i>PROPOSED REVISED <u>BUDGET GENERAL FUND</u></i>	<i>INCREASE/ <u>(DECREASE)</u></i>
Public Notices & Employment Ads	12,000	29,733	17,733
Rewards & Recognition	3,500	3,500	-
Staff Development In-House	64,000	64,000	-
Subscriptions & Publications	<u>22,700</u>	<u>22,700</u>	<u>-</u>
Sub-Total Other	<u>1,607,340</u>	<u>1,434,284</u>	<u>(173,056)</u>
<u>TOTAL PROGRAMMATIC SUPPORT AND ADMINISTRATIVE EXPENDITURES</u>	<u>\$ 15,113,487</u>	<u>\$ 14,906,468</u>	<u>\$ (207,019)</u>
 <u>NON-OPERATING EXPENDITURES</u>			
PBC Tax Collector Fee	\$ 2,029,274	\$ 2,029,274	\$ -
Property Appraiser Fee	<u>\$ 772,645</u>	<u>\$ 772,645</u>	<u>\$ -</u>
Sub-total Non-Operating	<u>2,801,919</u>	<u>2,801,919</u>	<u>-</u>
 CAPITAL EXPENDITURES	 250,000	 457,019	 207,019
CONTINGENCY	500,000	500,000	-
RESERVE FOR UNCOLLECTABLES	5,108,848	5,108,848	-
DIRECT FUNDED PROGRAMS & INITIATIVES	98,014,091	98,014,091	-
 TOTAL EXPENDITURES	 <u>\$ 121,788,345</u>	 <u>\$ 121,788,345</u>	 <u>\$ -</u>

CHILDREN’S SERVICES COUNCIL – FINANCE COMMITTEE
AGENDA ITEM
September 1,
2016

AGENDA ITEM: 4
TITLE: TRIM Package
CSC STAFF: Jennifer Diehl, Chief Financial Officer

SUMMARY:

In addition to the notes to the budget, this budget incorporates the goals, strategies and outcomes that were presented at the Annual Council Planning Session on April 28, 2016.

Ad valorem tax revenue to support the proposed budget amounts to \$113,092,475 which is based on a projected 8.4% increase in the total tax base within Palm Beach County. The proposed millage rate will be .6833 compared to the prior year millage rate of .6677.

The proposed 2016-2017 CSC Annual Budget is submitted reflecting the budget of the Children’s Services Council including its special revenue fund, which is also known as Prevention Partnerships for Children, Inc. The total proposed expenditures are \$128,184,202.

Of the total proposed \$128,184,202, Children’s Programs Direct Services are budgeted for \$104,001,628 or 81.13% and Program Administrative Support is budgeted for \$9,413,838 or 7.34% for a combined total of \$113,415,466 or 88.48% of the total budget. The Children’s Programs Direct Services budget reflects a 3.28% or \$3,304,836 increase from 2015/2016. This increase is attributed to supporting needed growth and newly identified community needs. The Program Administrative Support budget reflects a 3.66% or \$357,503 decrease which relates to an annually revised general and administrative allocation.

The proposed budget for the administrative costs of the Council is \$5,218,109 representing a 2.32% or \$124,037 decrease over the 2015/2016 budget. This decrease reflects the annually revised general and administrative allocation as well as decreased utility, consulting, and planning and policy expenditures. The proposed budget for capital expenses is \$350,000, representing an increase of \$100,000 for an updated server infrastructure.

The budget being proposed contains a projected 10% increase over the 2015/2016 health insurance premiums, a 3% total merit pool in correlation with staff performance evaluations and .5% total pool in relation to promotional increases.

RECOMMENDATION: We recommend the Finance Committee and Council approve the proposed 2016/2017 Annual Budget.



TRIM PUBLIC HEARING

September 8, 2016 – 6:00 p.m.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

TRIM PUBLIC HEARING, SEPTEMBER 8, 2016

COVER PAGES	Agenda & Synopsis of Exhibits
-------------	-------------------------------

EXHIBIT I Certification of Taxable Value/Independent Special District
Maximum Millage Levy Calculation Preliminary Disclosure

EXHIBIT II Comparison of Proposed 2016-2017 Budget to Approved
2015-2016 Annual Budget

EXHIBIT III Proposed 2016-2017 Annual Budget by Fund

EXHIBIT IV Proposed 2016-2017 Annual Budget by Division
(General Fund)

EXHIBIT V Notes

EXHIBIT VI Proposed TRIM Advertisement

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

**TRIM PUBLIC HEARING
September 8, 2016, 6:00 p.m.**

2300 High Ridge Road, Boynton Beach, FL

AGENDA

- 1. CALL TO ORDER**
- 2. AGENDA**
 - A. Additions, deletions, substitutions
 - B. Adoption
- 3. 2016-17 TENTATIVE BUDGET**
 - A. Percent increase above roll-back rate 9.50%
 - B. Presentation
 - C. Public Comment
 - D. Review
- 4. 2016-17 TENTATIVE MILLAGE RATE - .6833**
 - A. Review
 - B. Public Comment
 - C. Tentative Adoption
- 5. TENTATIVE ADOPTION OF 2016-17 BUDGET**
 - A. Tentative adoption of 2016-17 budget
- 6. ANNOUNCEMENT OF FINAL TRIM HEARING – SEPTEMBER 22, 2016 – 6:00 P.M.**
- 7. PERCENT BY WHICH PROPOSED MILLAGE RATE IS MORE THAN THE ROLL-BACK RATE – 9.50%**
- 8. ADJOURNMENT**



CERTIFICATION OF TAXABLE VALUE

Reset Form

Print Form

DR-420
R. 5/12
Rule 12D-16.002
Florida Administrative Code
Effective 11/12

Year : 2016	County : PALM BEACH
Principal Authority : PALM BEACH CHILDREN'S SERVICES	Taxing Authority : Children's Services Council

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value of real property for operating purposes	\$	155,646,623,721	(1)
2.	Current year taxable value of personal property for operating purposes	\$	9,719,960,310	(2)
3.	Current year taxable value of centrally assessed property for operating purposes	\$	142,672,040	(3)
4.	Current year gross taxable value for operating purposes <i>(Line 1 plus Line 2 plus Line 3)</i>	\$	165,509,256,071	(4)
5.	Current year net new taxable value (Add new construction, additions, rehabilitative improvements increasing assessed value by at least 100%, annexations, and tangible personal property value over 115% of the previous year's value. Subtract deletions.)	\$	2,108,788,189	(5)
6.	Current year adjusted taxable value <i>(Line 4 minus Line 5)</i>	\$	163,400,467,882	(6)
7.	Prior year FINAL gross taxable value from prior year applicable Form DR-403 series	\$	152,694,401,056	(7)
8.	Does the taxing authority include tax increment financing areas? If yes, enter number of worksheets (DR-420TIF) attached. If none, enter 0	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Number 0 (8)
9.	Does the taxing authority levy a voted debt service millage or a millage voted for 2 years or less under s. 9(b), Article VII, State Constitution? If yes, enter the number of DR-420DEBT, <i>Certification of Voted Debt Millage</i> forms attached. If none, enter 0	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Number 0 (9)
Property Appraiser Certification		I certify the taxable values above are correct to the best of my knowledge.		
SIGN HERE	Signature of Property Appraiser:		Date :	
	Electronically Certified by Property Appraiser		6/29/2016 8:32 AM	

SECTION II : COMPLETED BY TAXING AUTHORITY

If this portion of the form is not completed in FULL your taxing authority will be denied TRIM certification and possibly lose its millage levy privilege for the tax year. If any line is not applicable, enter -0-.

10.	Prior year operating millage levy <i>(If prior year millage was adjusted then use adjusted millage from Form DR-422)</i>	0.6677	per \$1,000	(10)
11.	Prior year ad valorem proceeds <i>(Line 7 multiplied by Line 10, divided by 1,000)</i>	\$	101,954,052	(11)
12.	Amount, if any, paid or applied in prior year as a consequence of an obligation measured by a dedicated increment value <i>(Sum of either Lines 6c or Line 7a for all DR-420TIF forms)</i>	\$	0	(12)
13.	Adjusted prior year ad valorem proceeds <i>(Line 11 minus Line 12)</i>	\$	101,954,052	(13)
14.	Dedicated increment value, if any <i>(Sum of either Line 6b or Line 7e for all DR-420TIF forms)</i>	\$	0	(14)
15.	Adjusted current year taxable value <i>(Line 6 minus Line 14)</i>	\$	163,400,467,882	(15)
16.	Current year rolled-back rate <i>(Line 13 divided by Line 15, multiplied by 1,000)</i>	0.6240	per \$1000	(16)
17.	Current year proposed operating millage rate	0.6833	per \$1000	(17)
18.	Total taxes to be levied at proposed millage rate <i>(Line 17 multiplied by Line 4, divided by 1,000)</i>	\$	113,092,475	(18)

19.	TYPE of principal authority (check one)	<input type="checkbox"/> County	<input checked="" type="checkbox"/> Independent Special District	(19)
		<input type="checkbox"/> Municipality	<input type="checkbox"/> Water Management District	
20.	Applicable taxing authority (check one)	<input checked="" type="checkbox"/> Principal Authority	<input type="checkbox"/> Dependent Special District	(20)
		<input type="checkbox"/> MSTU	<input type="checkbox"/> Water Management District Basin	
21.	Is millage levied in more than one county? (check one)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	(21)

DEPENDENT SPECIAL DISTRICTS AND MSTUs		STOP HERE - SIGN AND SUBMIT
--	---	------------------------------------

22.	Enter the total adjusted prior year ad valorem proceeds of the principal authority, all dependent special districts, and MSTUs levying a millage. <i>(The sum of Line 13 from all DR-420 forms)</i>	\$	101,954,052	(22)
23.	Current year aggregate rolled-back rate <i>(Line 22 divided by Line 15, multiplied by 1,000)</i>		0.6240 per \$1,000	(23)
24.	Current year aggregate rolled-back taxes <i>(Line 4 multiplied by Line 23, divided by 1,000)</i>	\$	103,277,776	(24)
25.	Enter total of all operating ad valorem taxes proposed to be levied by the principal taxing authority, all dependent districts, and MSTUs, if any. <i>(The sum of Line 18 from all DR-420 forms)</i>	\$	113,092,475	(25)
26.	Current year proposed aggregate millage rate <i>(Line 25 divided by Line 4, multiplied by 1,000)</i>		0.6833 per \$1,000	(26)
27.	Current year proposed rate as a percent change of rolled-back rate <i>(Line 26 divided by Line 23, minus 1, multiplied by 100)</i>		9.50 %	(27)

First public budget hearing	Date : 9/8/2016	Time : 6:00 PM EST	Place : 2300 High Ridge Road Boynton Beach Florida 33426
------------------------------------	--------------------	-----------------------	---

S I G N H E R E	Taxing Authority Certification		I certify the millages and rates are correct to the best of my knowledge. The millages comply with the provisions of s. 200.065 and the provisions of either s. 200.071 or s. 200.081, F.S.		
	Signature of Chief Administrative Officer : Electronically Certified by Taxing Authority			Date : 7/27/2016 1:22 PM	
	Title : LISA WILLIAMS-TAYLOR PH.D, CEO		Contact Name and Contact Title : JENNIFER DIEHL, CFO		
	Mailing Address : 2300 HIGH RIDGE ROAD		Physical Address : 2300 HIGH RIDGE ROAD		
	City, State, Zip : BOYNTON BEACH, FLORIDA 33426		Phone Number : 5617407000		Fax Number : 5618351956



Reset Form


Print Form

MAXIMUM MILLAGE LEVY CALCULATION PRELIMINARY DISCLOSURE

For municipal governments, counties, and special districts

DR-420MM-P
R. 5/12
Rule 12D-16.002
Florida Administrative Code
Effective 11/12

Year: 2016	County: PALM BEACH		
Principal Authority : PALM BEACH CHILDREN'S SERVICES	Taxing Authority: Children's Services Council		
1. Is your taxing authority a municipality or independent special district that has levied ad valorem taxes for less than 5 years?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	(1)
IF YES, STOP HERE. SIGN AND SUBMIT. You are not subject to a millage limitation.			
2. Current year rolled-back rate from Current Year Form DR-420, Line 16	0.6240	per \$1,000	(2)
3. Prior year maximum millage rate with a majority vote from 2015 Form DR-420MM, Line 13	0.7754	per \$1,000	(3)
4. Prior year operating millage rate from Current Year Form DR-420, Line 10	0.6677	per \$1,000	(4)
If Line 4 is equal to or greater than Line 3, skip to Line 11. If less, continue to Line 5.			
Adjust rolled-back rate based on prior year majority-vote maximum millage rate			
5. Prior year final gross taxable value from Current Year Form DR-420, Line 7	\$	152,694,401,056	(5)
6. Prior year maximum ad valorem proceeds with majority vote <i>(Line 3 multiplied by Line 5 divided by 1,000)</i>	\$	118,399,239	(6)
7. Amount, if any, paid or applied in prior year as a consequence of an obligation measured by a dedicated increment value from Current Year Form DR-420 Line 12	\$	0	(7)
8. Adjusted prior year ad valorem proceeds with majority vote <i>(Line 6 minus Line 7)</i>	\$	118,399,239	(8)
9. Adjusted current year taxable value from Current Year form DR-420 Line 15	\$	163,400,467,882	(9)
10. Adjusted current year rolled-back rate <i>(Line 8 divided by Line 9, multiplied by 1,000)</i>	0.7246	per \$1,000	(10)
Calculate maximum millage levy			
11. Rolled-back rate to be used for maximum millage levy calculation <i>(Enter Line 10 if adjusted or else enter Line 2)</i>	0.7246	per \$1,000	(11)
12. Adjustment for change in per capita Florida personal income <i>(See Line 12 Instructions)</i>	1.0375		(12)
13. Majority vote maximum millage rate allowed <i>(Line 11 multiplied by Line 12)</i>	0.7518	per \$1,000	(13)
14. Two-thirds vote maximum millage rate allowed <i>(Multiply Line 13 by 1.10)</i>	0.8270	per \$1,000	(14)
15. Current year proposed millage rate	0.6833	per \$1,000	(15)
16. Minimum vote required to levy proposed millage: (Check one)			
<input checked="" type="checkbox"/> a. Majority vote of the governing body: Check here if Line 15 is less than or equal to Line 13. The maximum millage rate is equal to the majority vote maximum rate. Enter Line 13 on Line 17.			
<input type="checkbox"/> b. Two-thirds vote of governing body: Check here if Line 15 is less than or equal to Line 14, but greater than Line 13. The maximum millage rate is equal to proposed rate. Enter Line 15 on Line 17.			
<input type="checkbox"/> c. Unanimous vote of the governing body, or 3/4 vote if nine members or more: Check here if Line 15 is greater than Line 14. The maximum millage rate is equal to the proposed rate. Enter Line 15 on Line 17.			
<input type="checkbox"/> d. Referendum: The maximum millage rate is equal to the proposed rate. Enter Line 15 on Line 17.			
17. The selection on Line 16 allows a maximum millage rate of <i>(Enter rate indicated by choice on Line 16)</i>	0.7518	per \$1,000	(17)
18. Current year gross taxable value from Current Year Form DR-420, Line 4	\$	165,509,256,071	(18)

Taxing Authority : Children's Services Council		DR-420MM-P R. 5/12 Page 2	
19.	Current year proposed taxes <i>(Line 15 multiplied by Line 18, divided by 1,000)</i>	\$	113,092,475 (19)
20.	Total taxes levied at the maximum millage rate <i>(Line 17 multiplied by Line 18, divided by 1,000)</i>	\$	124,429,859 (20)
DEPENDENT SPECIAL DISTRICTS AND MSTUs			STOP HERE. SIGN AND SUBMIT.
21.	Enter the current year proposed taxes of all dependent special districts & MSTUs levying a millage. <i>(The sum of all Lines 19 from each district's Form DR-420MM-P)</i>	\$	0 (21)
22.	Total current year proposed taxes <i>(Line 19 plus Line 21)</i>	\$	113,092,475 (22)
Total Maximum Taxes			
23.	Enter the taxes at the maximum millage of all dependent special districts & MSTUs levying a millage <i>(The sum of all Lines 20 from each district's Form DR-420MM-P)</i>	\$	0 (23)
24.	Total taxes at maximum millage rate <i>(Line 20 plus Line 23)</i>	\$	124,429,859 (24)
Total Maximum Versus Total Taxes Levied			
25.	Are total current year proposed taxes on Line 22 equal to or less than total taxes at the maximum millage rate on Line 24? (Check one)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	(25)
S I G N H E R E	Taxing Authority Certification		I certify the millages and rates are correct to the best of my knowledge. The millages comply with the provisions of s. 200.065 and the provisions of either s. 200.071 or s. 200.081, F.S.
	Signature of Chief Administrative Officer :		Date :
	Electronically Certified by Taxing Authority		7/27/2016 1:22 PM
	Title :	Contact Name and Contact Title :	
	LISA WILLIAMS-TAYLOR PH.D, CEO	JENNIFER DIEHL, CFO	
	Mailing Address :	Physical Address :	
2300 HIGH RIDGE ROAD	2300 HIGH RIDGE ROAD		
City, State, Zip :	Phone Number :	Fax Number :	
BOYNTON BEACH, FLORIDA 33426	5617407000	5618351956	

Complete and submit this form DR-420MM-P, Maximum Millage Levy Calculation-Preliminary Disclosure, to your property appraiser with the form DR-420, Certification of Taxable Value.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2016 - SEPTEMBER 30, 2017

	<u>2015/16 APPROVED BUDGET</u>	<u>2016/17 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 102,176,959	\$ 113,092,475	\$ 10,915,516	10.68%
GRANT INCOME				
Palm Beach County Head Start Match	3,100,000	2,100,000	(1,000,000)	-32.26%
JPB Foundation	250,000	250,000	-	100.00%
Department of Health/Agency for Health Care Administration	3,630,806	3,094,966	(535,840)	-14.76%
Sub-Total Grant Income	<u>6,980,806</u>	<u>5,444,966</u>	<u>(1,535,840)</u>	<u>-22.00%</u>
INTEREST INCOME	300,000	400,000	100,000	33.33%
INCOME FROM TENANTS	70,000	70,000	-	0.00%
OTHER INCOME	100,000	100,000	-	0.00%
CASH BALANCES BROUGHT FORWARD	14,843,281	9,076,761	(5,766,520)	-38.85%
TOTAL	\$ 124,471,046	\$ 128,184,202	\$ 3,713,156	2.98%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 100,696,792	\$ 104,001,628	\$ 3,304,836	3.28%
Support Services	9,771,341	9,413,838	(357,503)	-3.66%
Sub-Total Children's Programs	<u>110,468,133</u>	<u>113,415,466</u>	<u>2,947,333</u>	<u>2.67%</u>
ADMINISTRATIVE EXPENSES	5,342,146	5,218,109	(124,037)	-2.32%
CAPITAL EXPENDITURES	250,000	350,000	100,000	40.00%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	772,645	783,812	11,167	1.45%
Palm Beach County Tax Collector Fees	2,029,274	2,262,191	232,917	11.48%
Sub-Total	<u>2,801,919</u>	<u>3,046,003</u>	<u>244,084</u>	<u>8.71%</u>
CONTINGENCY	500,000	500,000	-	0.00%
SUB-TOTAL EXPENDITURES	119,362,198	122,529,578	3,167,380	2.65%
RESERVE FOR UNCOLLECTABLE TAX	5,108,848	5,654,624	545,776	10.68%
TOTAL	\$ 124,471,046	\$ 128,184,202	\$ 3,713,156	2.98%

PROPOSED MILLAGE RATE: 0.6833

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2016 - SEPTEMBER 30, 2017

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>		<u>2016 - 2017</u>		
		<u>PREVENTION PARTNERSHIPS</u>	<u>FOR CHILDREN, INC.</u>	<u>TOTAL BUDGET</u>		
REVENUES						
AD VALOREM TAXES	\$ 113,092,475	90.16%	-	0.00%	\$ 113,092,475	88.23%
GRANT INCOME						
Palm Beach County Head Start Match	2,100,000	1.67%	-	0.00%	2,100,000	1.64%
JPB Foundation	250,000	0.20%	-	0.00%	250,000	0.20%
Department of Health/Agency for Health Care Administration	<u>3,094,966</u>	<u>2.47%</u>	<u>-</u>	<u>0.00%</u>	<u>3,094,966</u>	<u>2.41%</u>
Sub-Total Grant Income	<u>5,444,966</u>	<u>4.34%</u>	<u>-</u>	<u>0.00%</u>	<u>5,444,966</u>	<u>4.25%</u>
INTEREST INCOME	400,000	0.32%	-	0.00%	400,000	0.31%
INCOME FROM TENANTS	70,000	0.06%	-	0.00%	70,000	0.05%
OTHER INCOME	100,000	0.08%	-	0.00%	100,000	0.08%
TRANSFER IN (OUT)	<u>(2,742,285)</u>	<u>-2.19%</u>	<u>2,742,285</u>	<u>100.00%</u>	<u>-</u>	<u>0.00%</u>
CASH BALANCES BROUGHT FORWARD	<u>9,076,761</u>	<u>7.24%</u>	<u>-</u>	<u>0.00%</u>	<u>9,076,761</u>	<u>7.08%</u>
TOTAL	<u>\$ 125,441,917</u>	<u>100.00%</u>	<u>\$ 2,742,285</u>	<u>100.00%</u>	<u>\$ 128,184,202</u>	<u>100.00%</u>
EXPENDITURES						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 99,179,343	79.06%	\$ 2,742,285	100.00%	\$ 101,921,628	79.51%
Special Funds and Other	95,000	0.08%	-	0.00%	95,000	0.07%
Public Education/Awareness	1,985,000	1.58%	-	0.00%	1,985,000	1.55%
Sub-total Direct Services	101,259,343	80.72%	2,742,285	100.00%	104,001,628	81.13%
Support Services						
Programmatic Support Expenses	9,413,838	7.50%	-	0.00%	9,413,838	7.34%
Sub-total Support Services	<u>9,413,838</u>	<u>7.50%</u>	<u>-</u>	<u>0.00%</u>	<u>9,413,838</u>	<u>7.34%</u>
Sub-Total Children's Programs	110,673,181	88.23%	2,742,285	100.00%	113,415,466	88.48%
ADMINISTRATIVE EXPENSES	5,218,109	4.16%	-	0.00%	5,218,109	4.07%
CAPITAL EXPENDITURES	350,000	0.28%	-	0.00%	350,000	0.27%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	783,812	0.62%	-	0.00%	783,812	0.61%
Palm Beach County Tax Collector Fees	<u>2,262,191</u>	<u>1.80%</u>	<u>-</u>	<u>0.00%</u>	<u>2,262,191</u>	<u>1.76%</u>
Sub-Total Non Operating Expenses	3,046,003	2.43%	-	0.00%	3,046,003	2.38%
CONTINGENCY	<u>500,000</u>	<u>0.40%</u>	<u>-</u>	<u>0.00%</u>	<u>500,000</u>	<u>0.39%</u>
SUB-TOTAL EXPENDITURES	119,787,293	95.49%	2,742,285	100.00%	122,529,578	95.59%
RESERVE FOR UNCOLLECTABLE TAX	<u>5,654,624</u>	<u>4.51%</u>	<u>-</u>	<u>0.00%</u>	<u>5,654,624</u>	<u>4.41%</u>
TOTAL	<u>\$ 125,441,917</u>	<u>100.00%</u>	<u>\$ 2,742,285</u>	<u>100.00%</u>	<u>\$ 128,184,202</u>	<u>100.00%</u>
MILLAGE RATE:	0.6833					

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2016 - SEPTEMBER 30, 2017

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
SALARIES	405,538	989,088	1,062,315	3,536,539	620,289	1,298,339	7,912,108
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
FRINGE BENEFITS							-
A. FICA	19,411	61,324	65,864	217,518	36,826	78,463	479,406
B. FICA MED	5,880	14,342	15,403	51,280	8,994	18,826	114,725
C. FL Unemployment	811	1,978	2,125	7,073	1,241	2,597	15,825
D. Workers' Comp	642	2,782	3,210	10,700	1,712	3,210	22,256
E. Health Plan	86,576	230,527	273,186	1,061,797	172,860	366,950	2,191,896
F. Retirement	57,526	152,178	137,541	447,824	75,830	158,164	1,029,064
G. Long Term Disability	1,200	3,826	3,929	15,123	2,374	3,624	30,076
H. Tuition Reimbursement		65,000	-	-	-	-	65,000
J. Retirement Health Savings	3,355	14,540	16,777	55,924	8,948	16,777	116,321
K. Short Term Disability	972	3,176	3,258	12,072	1,964	2,988	24,429
L. Other Fringe Benefits	3,600	15,600	18,000	60,000	9,600	18,000	124,800
Total Fringe Benefits	179,973	565,273	539,292	1,939,311	320,349	669,599	4,213,797
TOTAL PERSONNEL	585,511	1,554,362	1,601,606	5,490,850	940,638	1,967,938	12,140,905
TRAVEL							
A. Local Mileage	1,500	200	1,850	5,500	3,000	400	12,450
B. Staff Development / CSC Business-Related Travel	12,000	35,000	27,500	100,000	18,000	12,000	204,500
C. Council Member Travel	2,000	-	-	-	-	-	2,000
D. Business Expense	3,000	-	-	-	-	-	3,000
TOTAL TRAVEL	18,500	35,200	29,350	105,500	21,000	12,400	221,950
BUILDING SPACE							
A. Maintenance & Security	11,538	49,999	57,693	192,309	30,769	57,692	400,000
B. Utilities	4,615	20,001	23,077	76,922	12,308	23,077	160,000
C. Emergency Maintenance Fund	1,442	6,250	7,211	24,039	3,846	7,212	50,000
D. Quantum Park Fees and Assessments	346	1,499	1,731	5,770	923	1,731	12,000
E. Real Estate Taxes Quantum Park	1,731	7,500	8,653	28,847	4,615	8,654	60,000
TOTAL BUILDING SPACE	19,672	85,249	98,365	327,887	52,461	98,366	682,000
COMMUNICATIONS							
A. Telecommunications	1,442	6,250	7,211	24,039	3,846	7,212	50,000
B. Postage	-	-	15,000	-	-	-	15,000
2016 Tax Notices	-	-	7,600	-	-	-	7,600
Total Postage	-	-	22,600	-	-	-	22,600
TOTAL COMMUNICATIONS	1,442	6,250	29,811	24,039	3,846	7,212	72,600
PRINTING & SUPPLIES							
A. Supplies	1,154	5,001	5,769	19,230	3,077	5,769	40,000
B. Meeting Supplies	1,400	5,200	300	5,000	750	200	12,850
C. Computer Supplies		-	-	-	-	20,000	20,000
D. Printing	100	250	350	1,750	75,000	100	77,550
E. Photography/Video		-	-	-	50,000	-	50,000
TOTAL PRINTING & SUPPLIES	2,654	10,451	6,419	25,980	128,827	26,069	200,400

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2016 - SEPTEMBER 30, 2017

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
OTHER EXPENSES							
A. Purchase of Service							
1. Legal	35,000	-	-	-	-	-	35,000
2. Audit		-	60,400	-	-	-	60,400
3. Consulting	10,000	50,000	-	200,000	25,000	25,000	310,000
4. Inspector General Fee		58,095	58,096	-	-	-	116,191
B. Insurance	220,000	-	-	-	-	-	220,000
C. Staff Development - In House		50,000	-	-	-	-	50,000
D. Dues	130,000	6,800	2,700	5,000	2,000	500	147,000
E. Background Checks/Fingerprinting		2,000	-	-	-	-	2,000
F. Subscrip/Publications	2,000	14,700	1,600	2,000	2,200	500	23,000
G. Public Notices & Employment Ads		12,000	-	-	-	-	12,000
H. Copier Equipment	1,442	6,250	7,211	24,040	3,846	7,212	50,001
I. Computer Maint & Support		-	-	-	-	260,000	260,000
J. Banking Services	-	-	5,000	-	-	-	5,000
K. Investment Advisory Services	-	-	20,000	-	-	-	20,000
L. Service Awards & Recognition		3,500	-	-	-	-	3,500
TOTAL OTHER EXPENSES	398,442	203,345	155,007	231,040	33,046	293,212	1,314,092
TOTAL ADMINISTRATIVE EXPENSES	1,026,221	1,894,857	1,920,558	6,205,296	1,179,818	2,405,197	14,631,947
CAPITAL EXPENSES							
A. Computer Hardware	-	-	-	-	-	350,000	350,000
TOTAL CAPITAL EXPENSES						350,000	350,000
NON OPERATING EXPENSES							
A. Property Appraiser Fee	783,812	-	-	-	-	-	783,812
B. Tax Collector Fee	2,262,191	-	-	-	-	-	2,262,191
TOTAL NON-OPERATING EXPENSES	3,046,003						3,046,003
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	99,179,343	-	-	99,179,343
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	50,000	1,935,000	-	1,985,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES	-	-	-	99,229,343	2,030,000	-	101,259,343
CONTINGENCY	500,000						500,000
RESERVE FOR UNCOLLECTABLE TAX	5,654,624						5,654,624
TOTAL BUDGET	10,226,848	1,894,857	1,920,558	105,434,639	3,209,818	2,755,197	125,441,917
Budget: Administrative Expenses	1,026,221	1,659,775	836,975	356,198	641,964	696,975	5,218,109
Budget: Capital Expenses		-	-	-	-	350,000	350,000
Budget: Children's Program: Direct Services		-	-	99,229,343	2,030,000	-	101,259,343
Budget: Children's Program: Support Services		235,081	1,083,583	5,849,098	537,854	1,708,222	9,413,838
Budget: Non-Operating Expenses	9,200,627	-	-	-	-	-	9,200,627
TOTAL BUDGET	10,226,848	1,894,857	1,920,558	105,434,639	3,209,818	2,755,197	125,441,917

**Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget**

1. Breakdown of Divisions/Departments

The budget is developed reflecting the functional and program operations within CSC. The functional and program operations as they appear on the detailed budget document are:

- A. Executive Administration** – reflects the costs associated with the CEO function and administration of the Children's Services Council, such as legal fees, insurance, non-operating expenses for the Property Appraiser and Tax Collector and organizational consultants.
- B. Talent & Operations** – consists of the Operations, Human Resources, Project Management and Talent Management departments.
- C. Finance** – Consists of the Accounting, Budget Oversight and Audit and Compliance departments.
- D. Program Services** – Reflects the costs associated with the funded children's programs and initiatives. In addition to funding from ad-valorem tax revenue there is financial support from the Department of Health and the Agency for Health Care Administration through the Healthy Start Coalition, the JPB Foundation and from the Palm Beach County Head Start Match.
- E. Communications**- Reflects the costs associated with the Communications division.
- F. Information Management**- Reflects the costs associated with Information Management, Information Technology and Business Analytics.

2. Personnel

- The proposed 2016/17 fiscal year budget contains funding for 104 approved positions, a 3% merit pool in correlation with staff performance evaluations and .5% for promotional increases.
- Fringe benefits are calculated at existing rates for FICA, Medicare and Florida Unemployment.
- Retirement is calculated at 10% of eligible salaries for employees hired on or after January 1, 2012. This percentage is based on the maximum exposure if a match is made depending on the employee's contribution. Prior to a hiring date of January 1, 2012, retirement is calculated at 13% of eligible salaries for employees employed ten years or

Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget

less, 15% of eligible salaries for employees employed between eleven and fifteen years, 17% for employees employed between sixteen and twenty years, and 19% for employees employed twenty years or more.

- Workers' Compensation is calculated based on the formula supplied by CSC's insurance broker.
- Based on input from CSC's insurance broker and historical trends, health plan premiums have been projected at 10% over 2015/16 fiscal year rates to maintain coverage at existing levels.
- Long Term Disability premiums are projected based on the rate that was provided by the carrier.
- Tuition reimbursements have been estimated based on anticipated usage for the 2016/17 fiscal year.
- Retirement Health Savings reflects the estimated amount needed for this benefit.
- Other Fringe Benefits provides for enhancements or additions to the current benefit package offered by CSC and supports health related items.

3. Travel

- The local mileage reimbursement rate is projected at \$0.54 per mile based on the Internal Revenue Service standard mileage rate for 2016. The mileage traveled for each position has been projected based on historical data.
- Staff Development / CSC business-related travel - Staff development reflects the expenses associated with CSC staff achieving their development plans. CSC business-related travel reflects the costs associated with CSC staff traveling on CSC related business. An amount has also been budgeted to provide for the costs of staff attendance at business meetings taking place outside of Palm Beach County.
- Council member travel is included to cover the costs relating to travel by Council members on CSC related business.

4. Building Space

- Amounts have been budgeted for Maintenance and Security based on contracts that have been entered into for those services at the 2300 High Ridge Road building as well as actual expenditures incurred through the normal operation of the building. An additional \$50,000 is budgeted to provide for emergency repairs not covered under

Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget

maintenance agreements. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.

- Utilities are based on projected actual usage and historical data. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Quantum Park fees cover the costs charged by the Quantum Park Property Owners' Association. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.

5. Communications

- Telecommunication expenses are budgeted based on amounts being billed by various vendors for this item and reflect the costs associated with all telecommunication related expenses. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Postage includes the costs for routine mailings as well as amounts projected for costs associated with the mailing of special reports and newsletters produced by CSC.
- The cost of mailing the 2016 tax notices has been included as expenditure in conformity with legislation which requires each taxing authority to reimburse the tax collector for its proportionate share of postage.

6. Printing & Supplies

- The anticipated costs for these items are based on planned expenditures, historical information, and projected price increases. Supplies includes anything related to office supplies, program supplies, meeting supplies, training supplies and/or computer supplies.
- Printing reflects the projected costs of producing various reports and newsletters.
- Photography/video costs are expenses associated with the communications department and the public education of program services.

7. Other Expenses

- Legal expenses reflect "not to exceed" amounts of contracts with outside counsel, if needed to assist with issues resulting from CSC's operations.
- Audit reflects the projected amounts for the annual external audit.

Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget

- Consulting has been budgeted under various divisions as follows:
 - Executive Administration – Consultants may be used to provide consulting services related to public policy issues.
 - Talent & Operations - Consultants may be used for leadership and organizational learning services as well as for administrative services related to the facilities.
 - Program Services – Research consultants will be engaged to do research as it relates to cost benefit analysis and special projects. Consultants may be used for evidence-based trainings and the variety of other training programs offered by CSC. Consultants are engaged to provide feedback as to the feasibility of bringing evidence-based programs to Palm Beach County as well as to assist in the evaluation of initiatives.
 - Communications - Consultants may be used to assist in the use of translation services.
 - Information Management - Consultants may be used to assist in the maintenance and training of various databases and the equipment necessary to maintain these programs.

The following are descriptions of the other items budgeted under the "Other Expenses" cost category:

- The Inspector General fee is a charge for the Inspector General to review CSC's contracts and other transactions.
- Insurance is made up of expenses related to non-benefit insurance premiums.
- Staff Development is budgeted to cover the costs associated with training activities designed to enhance CSC staff knowledge and skills to support funded programs.
- Dues reflect the costs of memberships to various organizations to which CSC belongs.
- Background checks/fingerprinting are made up of background checks and fingerprinting expenses related to employees.
- Subscriptions & Publications reflect the costs of various "trade" magazines, journals, curriculums, videos, and books.
- Public Notices and Employment Advertising include the cost of required advertising for public meetings and other CSC activities as well as costs associated with recruitment of CSC staff positions.

**Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget**

- Copier equipment reflects the cost of maintaining and leasing CSC's copier equipment. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Computer maintenance and support is provided to cover the costs of support for various software programs as well as the repair of the system for those items no longer covered by the manufacturer's warranty period.
- Banking services and Investment Advisory services cover the costs of bank, credit card and investment advisory fees.
- Service Awards and Recognition cover the costs associated with awards and recognition to individuals and/or groups for their accomplishments and contributions to the work of the Children's Services Council.

8. Capital Expenditures

Capital Expenditures generally reflect the costs associated with the purchase or upgrade of furniture and equipment items and the costs of replacing and increasing CSC's information and data processing technology. The costs associated with these items are \$350,000 for computer hardware and updated server infrastructure.

9. Non-operating expenses

These expenses have been calculated based on the proposed millage rate for the Tax Collector and the estimated fee provided by the Property Appraiser.

10. Allocations

The total proposed allocation to children's programs and initiatives is \$104,001,628.

11. Contingencies

An amount totaling \$500,000 has been budgeted.

12. Reserve for Uncollectable Tax

A 5% reserve has been established to provide for the projected difference in the amount of tax levied and the amount actually collected.

**Children's Services Council
Notes to 2016/17 Fiscal Year Proposed Budget**

13. Ad Valorem Tax

Revenue is calculated based on a projected estimate of taxable value which reflects an estimated 8.4% increase in the taxable value from the previous year. The millage rate is .6833 compared to .6677 in the prior year.

14. Grant Income

Grant income is budgeted to reflect grant income from the following:

- Federal and State dollars through the Department of Health and Agency of Health Care Administration through the Healthy Start Coalition to support CSC's operation of several Healthy Beginnings programs
- County match dollars through Palm Beach County to support the Head Start program
- Foundation dollars through the JPB Foundation to support a randomized control trial of the Child First program

15. Other income

Other income reflects the revenues to be generated from miscellaneous revenue.

16. Interest income

Interest income is projected based on current interest rate trends applied to average invested balances.

17. Cash balances brought forward

Use of fund balance not to exceed the 27.5% of the total budget fund balance policy.

**BUDGET SUMMARY
CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
FISCAL YEAR 2016-2017**

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY ARE 3% MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

	GENERAL FUND	FIXED ASSET FUND	SPECIAL REVENUE FUND	TOTAL BUDGET
Balances Brought Forward from Prior Fiscal Years	\$ 8,726,761	\$ 350,000	\$ -	\$ 9,076,761
ESTIMATED REVENUES				
TAXES: Millage per \$1000				
Ad Valorem .6833	113,092,475	-	-	113,092,475
GRANTS:				
Other Governmental Sources	5,444,966	-	-	5,444,966
INTEREST EARNINGS:	400,000	-	-	400,000
MISCELLANEOUS REVENUES:				
Tenant/Other Income	<u>170,000</u>	-	-	<u>170,000</u>
Transfers In (Out)	<u>(2,742,285)</u>	-	<u>2,742,285</u>	<u>-</u>
Total Revenues	<u>116,365,156</u>	<u>-</u>	<u>2,742,285</u>	<u>119,107,441</u>
Total Estimated Revenues and Balances	<u>\$ 125,091,917</u>	<u>\$ 350,000</u>	<u>\$ 2,742,285</u>	<u>\$ 128,184,202</u>
EXPENDITURES/EXPENSES				
Children's Programs				
Direct Services	\$ 101,259,343	\$ -	\$ 2,742,285	\$ 104,001,628
Support Services	<u>9,413,838</u>	-	-	<u>9,413,838</u>
Sub-total Children's Programs	<u>110,673,181</u>	-	<u>2,742,285</u>	<u>113,415,466</u>
Administrative Expenses	5,218,109	-	-	5,218,109
Capital Expenditures	-	350,000	-	350,000
Allocation to Contingency Fund	500,000	-	-	500,000
Non-operating Expenses	<u>3,046,003</u>	-	-	<u>3,046,003</u>
Total Expenditures	<u>119,437,293</u>	<u>350,000</u>	<u>2,742,285</u>	<u>122,529,578</u>
Reserves	<u>5,654,624</u>	-	-	<u>5,654,624</u>
Total Appropriated Expenditures and Reserves	<u>\$ 125,091,917</u>	<u>\$ 350,000</u>	<u>\$ 2,742,285</u>	<u>\$ 128,184,202</u>

THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE ABOVE MENTIONED TAXING AUTHORITY AS A PUBLIC RECORD.

NOTICE OF PROPOSED TAX INCREASE

The Children's Services Council of Palm Beach County has tentatively adopted a measure to increase its property tax levy.

Last year's property tax levy:

A. Initially proposed tax levy	\$102,176,959
B. Less tax reductions due to Value Adjustment Board and other assessment changes	\$222,907
C. Actual property tax levy	\$101,954,052

This year's proposed tax levy: \$113,092,475

All concerned citizens are invited to attend a public hearing on the tax increase to be held on:

Thursday, September 22, 2016
6:00 P.M.
at
2300 High Ridge Road
Boynton Beach, FL 33426

A FINAL DECISION on the proposed tax increase and the budget will be made at this hearing.

AGENDA ITEM: 5

TITLE: Proposed CSC Investment Policy Revision

STAFF: Jennifer Diehl, CFO

SUMMARY:

The proposed CSC Investment Policy Revision is being submitted to the Finance Committee.

The following revisions to the budgeted expenditures are being proposed:

- A revision to section XI.G. to add “other depository accounts”
- A revision to sections XI.G.2 and XI.G.3 to add that 100% of funds may be invested in overnight bank deposits secured by the Florida Security for Public Depositories Act, Chapter 280, F.S.

RECOMMENDATION:

We recommend the Finance Committee propose that the Council approve the proposed CSC Investment Policy Revision as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

INVESTMENT POLICY

PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the Children's Services Council of Palm Beach County, Florida (hereinafter "CSC"). These policies are designed to ensure the prudent management of public funds, the availability of operating funds when needed, and an investment return competitive with comparable funds and financial market indices.

I. SCOPE

In accordance with § 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the CSC and shall be identified as "Pooled Funds" of the CSC. Pooled funds shall include other agencies that have chosen to have the CSC serve as their fiscal agent and invest funds on their behalf.

II. INVESTMENT OBJECTIVES

A. Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Return of Investment

From time to time, securities may be purchased at a premium or traded for other securities to improve yield, maturity, or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve optimal investment return, provided any of the following occurs with respect to the replacement security:

1. The yield has been increased, or
2. The maturity has been reduced or lengthened, or
3. The quality of the investment has been improved.

C. Maintenance of Liquidity

The second highest priority is liquidity of funds. The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

D. Return on Investment

The third highest priority is investment income. Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity

objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

III. DELEGATION OF AUTHORITY

The responsibility for providing oversight and direction in regard to the management of the investment program resides with the CSC's Finance Committee. The management responsibility for all CSC funds in the investment program and investment transactions is delegated to the CFO.

A. Written Procedures

The CFO shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees.

B. Investment Manager

The CSC may employ an investment manager to assist in managing some of the CSC's portfolios. Such investment manager must be registered under the Investment Advisors Act of 1940.

C. Contracts

Proposed contracts between an investment manager and the Council shall be reviewed by the Finance Committee prior to submission to the Council. Any such contract shall include a stipulation that the investment manager is designated as a fiduciary.

IV. STANDARDS OF PRUDENCE

- A. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall investment program.
- B. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the CFO and the Finance Committee in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.
- C. The "prudent person" rule states the following:
Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.
- D. While the standard of prudence to be used by investment officials who are officers or employees is the "prudent person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "prudent expert."

- E. The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

V. ETHICS AND CONFLICTS OF INTEREST

- A. Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
- B. Also, employees involved in the investment process shall disclose to the CSC any material financial interests in financial institutions that conduct business with the CSC, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the CSC's investment program.

VI. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

- A. The CFO shall establish a system of internal controls and operational procedures that are in writing and made a part of the CSC's operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation, by third parties, or imprudent actions by employees.
- B. The written procedures should include reference to safekeeping, bonding, repurchase agreements, and separation of transaction authority from accounting and record keeping, wire transfer agreements, banking service contracts and collateral/depository agreements.
- C. No person may engage in an investment transaction except as authorized under the terms of this policy.
- D. Independent auditors as a normal part of the annual financial audit to the CSC shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

VII. CONTINUING EDUCATION

The CFO and appropriate staff shall each annually complete eight (8) hours of continuing education in subjects or courses of study related to investment practices and products.

VIII. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

- A. Authorized CSC staff and investment advisors shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer of the State of Florida, or institutions designated as "primary securities dealers" by the Federal Reserve Bank of New York. Qualified public depositories may provide the services of a securities dealer through a Section 20 subsidiary of the financial institution or from direct issuers of commercial paper and bankers' acceptances.
- B. Authorized CSC staff and investment advisors shall only enter into repurchase agreements with financial institutions that are state qualified public depositories and primary securities dealers as designated by the Federal Reserve Bank of New York.

IX. MATURITY AND LIQUIDITY REQUIREMENTS

A. Operating Funds

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twelve (12) months.

B. Core Funds

Investments of reserves, project funds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds, but in no event shall exceed three (3) years and the average duration of the funds as a whole may not exceed two (2) years.

The maturities of the underlying securities of a repurchase agreement will follow the requirements of the master repurchase agreement.

X. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

- A. After the CFO or the investment advisor has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on securities in question. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.
- B. However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:
 - 1. Bloomberg Information Systems

2. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing
 3. Daily market pricing provided by the CSC's custodian or their correspondent institutions
- C. The CFO or the investment advisor shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the CFO or the investment advisor, competitive bidding would inhibit the selection process.
- D. Examples of when this method may be used include:
1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process
 2. When no active market exists for the issue being traded due to the age or depth of the issue
 3. When a security is unique to a single dealer, for example, a private placement
 4. When the transaction involves new issues or issues in the "when issued" market
- E. Overnight sweep repurchase agreements will not be bid, but may be placed with the CSC's depository bank relating to the demand account for which the repurchase agreement was purchased.

XI. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

- A. Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and CSC's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the CSC may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the CSC's custodian.
- B. The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the Council. The CEO, CFO, and the Finance Committee shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies.
- C. The percentage allocation requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

D. United States Government Securities

1. Purchase Authorization

The CSC may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to the following:

- a. Cash Management Bills
- b. Treasury Securities - State and Local Government Series ("SLGS")
- c. Treasury Bills
- d. Treasury Notes
- e. Treasury Bonds
- f. Treasury Strips

2. Portfolio Composition

A maximum of one hundred percent (100%) of available funds may be invested in the United States government securities.

3. Maturity Limitations

The maximum length to maturity of any direct investment in the United States government securities is three (3) years from the date of purchase.

E. United States Government Agencies

1. Purchase Authorization

The CSC may invest in bonds, debentures, notes which may be subject to call, issued or guaranteed as to principal and interest by the United States government agencies, provided such obligations are backed by the full faith and credit of the United States government. Such securities will include, but not be limited to the following:

- a. United States Export - Import Bank
-Direct obligations or fully guaranteed certificates of beneficial ownership
- b. Farmer Home Administration
-Certificates of beneficial ownership
- c. Federal Financing Bank
-Discount notes, notes and bonds
- d. Federal Housing Administration Debentures
- e. General Services Administration
- f. United States Maritime Administration Guaranteed
-Title XI Financing
- g. New Communities Debentures
-United States Government guaranteed debentures
- h. United States Public Housing Notes and Bonds
-United States Government guaranteed public housing notes and bonds
- i. United States Department of Housing and Urban Development
-Project notes and local authority bonds

2. Portfolio Composition

A maximum of fifty percent (50%) of available funds may be invested in United States government agencies.

3. Limits on Individual Issuers

A maximum of twenty-five percent (25%) of available funds may be invested in individual United States government agencies.

4. Maturity Limitations

The maximum length to maturity for an investment in any United States government agency security is three (3) years from the date of purchase.

F. Federal Instrumentalities (United States government sponsored agencies)

1. Purchase Authorization

The CSC may invest in bonds, debentures, notes which may be subject to call, issued or guaranteed as to principal and interest by United States government sponsored agencies (federal instrumentalities) which are non-full faith and credit agencies limited to the following:

- a. Federal Farm Credit Bank (FFCB)
- b. Federal Home Loan Bank or its district banks (FHLB)
- c. Federal National Mortgage Association (FNMA)
- d. Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal -Home Loan Mortgage Corporation participation certificates
- e. Student Loan Marketing Association (Sallie-Mae)

2. Portfolio Composition

A maximum of eighty percent (80%) of available funds may be invested in federal instrumentalities.

3. Limits on Individual Issuers

A maximum of fifty percent (50%) of available funds may be invested in individual United States government agencies.

4. Maturity Limitations

The maximum length to maturity for an investment in any federal instrumentality security is three (3) years from the date of purchase.

G. Interest Bearing Time Deposit, Saving Accounts or Other Depository Accounts

1. Purchase Authorization

The CSC may invest in non-negotiable interest bearing time certificates of deposits, savings accounts or other depository accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the state of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, F.S..

2. Portfolio Composition

A maximum of twenty-five percent (25%) of available funds may be invested in non-negotiable interest bearing time certificates of deposit. A maximum of one-hundred percent (100%) of available funds may be invested in overnight bank deposits secured by the Florida Security for Public Deposits Act, Chapter 280, F.S..

3. Limits on Individual Issuers

A maximum of fifteen percent (15%) of available funds may be deposited in non-negotiable interest bearing time certificates of deposit of any one issuer eligible depository. A maximum of one-hundred percent (100%) of available funds may be invested in overnight bank deposits secured by the Florida Security for Public Deposits Act, Chapter 280, F.S..

4. The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

H. Repurchase Agreements

1. Purchase Authorization

- a. The CSC may invest in repurchase agreements composed of only those investments based on the requirements set forth by the CSC's master repurchase agreement. All firms are required to sign the master repurchase agreement prior to the execution of a repurchase agreement transaction.
- b. A third party custodian with whom the CSC has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the CFO and retained.
- c. Securities authorized for collateral are negotiable direct obligations of the United States government, government agencies, and federal instrumentalities with maturities under three (3) years and must have a market value for the principal and accrued interest of one hundred two percent (102%) of the value and for the term of the repurchase agreement. Immaterial short-term deviations from one hundred two percent (102%) requirement are permissible only upon the approval of the CFO.

2. Portfolio Composition

A maximum of fifty percent (50%) of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.

3. Limits on Individual Issuers

A maximum of twenty-five percent (25%) of available funds may be invested with any one institution.

4. Limits on Maturities

The maximum length to maturity of any repurchase agreement is ninety (90) days from the date of purchase.

H. State and/or Local Government Taxable and/or Tax-Exempt Debt

1. Purchase Authorization

The CFO may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-1" by Moody's and "SP-1" by Standard & Poor's for short-term debt.

2. Portfolio Composition

A maximum of twenty percent (20%) of available funds may be invested in taxable and tax-exempt debts.

3. Maturity Limitations

A maximum length to maturity for an investment in any state or local government debt security is two (2) years from the date of purchase.

I. Registered Investment Companies (Money Market Mutual Funds)

1. Investment Authorization

The CFO may invest in shares in open-end, no-load funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with Title 17 Code of Federal Regulations. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of ninety (90) days or less. The prospectus of the funds will indicate that the share value shall not fluctuate.

2. Portfolio Composition

A maximum of fifty percent (50%) of available funds may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of twenty-five percent (25%) of available funds may be invested with any one (1) money market fund.

4. Rating Requirements

The money market funds shall be rated "AAm" or "AAm-G" or better by Standard & Poor's, or the equivalent by another rating agency.

5. Due Diligence Requirements

A thorough investigation of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the CFO that will contain a list of due diligence considerations that deal with the major aspects of any investment pool/fund. A current prospectus must be obtained.

XII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

- A. Investment in any derivative products or the use of reverse repurchase agreements requires specific Council approval prior to their use. If the Council approves the use of derivative products, the CFO shall develop sufficient understanding of the derivative products and have the expertise to manage them. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.
- B. If the Council approves the use of reverse repurchase agreements or other forms of leverage, the investment shall be limited to transactions in which the proceeds are intended to provide liquidity and for which the CFO has sufficient resources and expertise to manage them.

XIII. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio's performance, the CSC will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the CSC to measure its returns against other investors in the same markets.

- A. The State Board of Administration's Local Government Surplus Funds Trust Fund ("SBA Pool") will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating fund
- B. Investment performance of funds designated as core funds and other non-operating funds that have a longer-term investment horizon will be compared to the Merrill Lynch 1-3 year Government Index or an equivalent index comprised of U. S. Treasury or government securities. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolio's total rate of return.

XIV. REPORTING

- A. The CFO shall provide timely transaction data as necessary to record and document investment activity.
- B. The CFO shall provide a monthly report including the listing of holdings in the portfolio at market value to the CEO, Finance Committee, and the Council.
- C. The CFO and/or investment advisor shall provide the CEO and Finance Committee with quarterly investment reports. Once reviewed by the Finance Committee this report shall be submitted to the Council.
- D. Schedules in the quarterly report should include, but not be limited to the following:
 - 1. A listing of individual securities held at the end of the reporting period
 - 2. Percentage of available funds represented by each investment type
 - 3. Coupon, discount or earning rate
 - 4. Average life or duration and final maturity of all investments
 - 5. Par value, and market value

- E. On an annual basis, the CFO shall prepare and submit to the CEO, Finance Committee, and the Council a written report on all invested funds. The annual report shall provide all, but not limited to, the following for each investment:
 - 1. A complete list of all invested funds
 - 2. Name or type of security in which the funds are invested
 - 3. Amount invested
 - 4. Maturity date
 - 5. Income earned
 - 6. Book value
 - 7. Market value
 - 8. Yield
- F. The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

XV. THIRD-PARTY CUSTODIAL AGREEMENTS

- A. All securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the CSC should be properly designated as an asset of the CSC.
- B. The securities must be held in an account separate and apart from the assets of the financial institution.
- C. A third party custodian is defined as any bank depository chartered by the federal government, the state of Florida, or any other state or territory of the United States which has a branch or principal place of business in the state of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the state of Florida.
- D. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.
- E. The CFO, upon approval of the Finance Committee and Council will execute on behalf of the CSC, third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include:
 - 1. Letters of authority from the CSC
 - 2. Details as to the responsibilities of each party
 - 3. Method of notification of security purchases
 - 4. Sales, delivery and procedures related to repurchase agreements
 - 5. Wire transfers, safekeeping and transaction costs
 - 6. Procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party

- F. The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Children's Services Council and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.
- G. The custodian shall provide the CFO with safekeeping receipts that provide detail information on the securities held by the custodian.

Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Securities held as collateral shall be held free and clear of any liens

XVI. INVESTMENT POLICY ADOPTION

The investment policy was adopted on March 2, 2015 and revised September 8, 2016. The CEO, CFO and the Finance Committee shall review the policy annually and the Council shall approve any modification made thereto.