

Children's Services Council

Finance Committee Meeting

Wednesday, April 15, 2015

3:30 – 5:00 pm

CSC – Executive Conference Room

AGENDA

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 Dumar, Director of Financial Services, Solid Waste Authority
John Marino, Volunteer,

Note: John Marino will not be present for this meeting.

CSC Staff:

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

Agenda Items:

- 1 Minutes March 26, 2015
- 2 March 31, 2015 Financial Statements – Walk-in item
- 3 Investment Advisory Services RFP Results
- 4 CSC Budget Forecast 2015/16 through 2019/2020
- 5 CSC Proposed 2015/16 Operating Budget Detail
- 6 Audit RFP Update and Review Process
- 7 Other
- 8 Adjournment

Finance Committee Meeting

Thursday, March 26, 2015, 3:00 – 4:30 p.m.

CSC – Executive Conference Room

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, **Present**
Paul Dumar, Director Financial Services, Solid Waste Authority, **Not Present**
John Marino, 1st Senior Vice President, Valley National Bank, **Present**

CSC Staff:

Lisa Williams-Taylor Ph.D, CEO, **Present**
Bill Cosgrove, CFO, **Present**
Jen Diehl, Controller, **Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

- 1 Presentation of Comprehensive Annual Financial Report (CAFR) by Keefe, McCullough CPA's – **Ross Gotthoffer, Manager presented audit report. Approved unanimously**
- 2 Minutes February 26, 2015, **Approved unanimously**
- 3 February 28, 2015 Financial Statements, **Approved unanimously**
- 4 RFP for Investment Services Review Process, **CSC staff and John Marino will discuss results and bring recommendations to Committee**
- 5 RFP for Audit Services, **Discussed potential solicitations of RFPS with local firms; reviewed and revised timetable as needed**
- 6 Other, **Discussed 15-16 budget briefly; will bring forecast scenarios to next meeting**
- 7 Adjournment

AGENDA ITEM: 2

TITLE: Financial Statements – March 31, 2015 (Unaudited)

STAFF: Jennifer Diehl, Controller, 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 six months ended March 31, 2015. The audit of the Council for the fiscal year ended September 30, 2014 has been completed and the applicable figures represent audited numbers.

Balance Sheet:

As of March 31, 2015 the Council had \$98,920,142 held in cash and investments. Of this balance, the investments in federal government bonds total \$87,500,000 net of the amortized discount.

The Capital Assets and the Investment in Capital Assets for \$20,832,932 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at March 31, 2015 is 50%. The estimated expenditure rate for Children’s Programs at March 31, 2015 is 40.13%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the March 31, 2015 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

March 31, 2015

	<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	\$ 98,906,651	\$ 13,491	\$ 98,920,142
Accounts Receivable	1,806,558	-	1,806,558
Advances to Agencies	4,166,094	-	4,166,094
Prepaid Expenses	270,880	-	270,880
Due From - Special Revenue Fund	-	111,711	111,711
Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Assets	<u>125,983,115</u>	<u>125,202</u>	<u>126,108,317</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	5,324,622	117,602	5,442,224
Deferred Revenue	206,070	-	206,070
Accounts Payable	268,236	7,600	275,836
Due to - General Fund	111,711	-	111,711
Total Liabilities	<u>5,910,639</u>	<u>125,202</u>	<u>6,035,841</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	270,880	-	270,880
Assigned:			
Reserved in accordance with fund balance policy	36,058,774	-	36,058,774
Unassigned:	62,909,890	-	62,909,890
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>99,239,544</u>	<u>-</u>	<u>99,239,544</u>
Investment in Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>125,983,115</u>	\$ <u>125,202</u>	\$ <u>126,108,317</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE SIX MONTHS ENDED MARCH 31, 2015**

	<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>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>
	<u>Budget</u>	<u>3/31/2015</u>	<u>3/31/2015</u>			<u>Budget</u>	<u>3/31/2015</u>	<u>3/31/2015</u>			<u>Budget</u>	<u>3/31/2015</u>	<u>3/31/2015</u>		
Revenues															
Ad Valorem Property Taxes	\$ 94,363,181	\$ 82,924,716	\$ 82,924,716	\$ -	87.88%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 94,363,181	\$ 82,924,716	\$ 82,924,716	\$ -	87.88%
Interest Income	150,000	75,000	33,278	(41,722)	22.19%	-	-	-	-	0.00%	150,000	75,000	33,278	(41,722)	22.19%
Department of Health/Agency for Health Care Administration	3,053,295	1,526,648	1,834,870	308,223	60.09%	-	-	-	-	0.00%	3,053,295	1,526,648	1,834,870	308,223	60.09%
Palm Beach County Head Start Match	4,100,000	2,050,000	2,050,000	-	50.00%	-	-	-	-	0.00%	4,100,000	2,050,000	2,050,000	-	50.00%
Income from Tenants	70,000	35,000	37,094	2,094	52.99%	-	-	-	-	0.00%	70,000	35,000	37,094	2,094	52.99%
Other Income	100,000	50,000	98,654	48,654	98.65%	-	-	-	-	0.00%	100,000	50,000	98,654	48,654	98.65%
Cash Carryforward	20,307,835	-	-	-	0.00%	-	-	-	-	0.00%	20,307,835	-	-	-	0.00%
Total Revenues	122,144,311	86,661,364	86,978,612	317,249	71.21%	-	-	-	-	0.00%	122,144,311	86,661,364	86,978,612	317,249	71.21%
Expenditures															
Administrative Expenditures	5,236,854	2,618,427	2,837,674	(219,247)	54.19%	-	-	655	(655)	100.00%	5,236,854	2,618,427	2,838,329	(219,902)	54.20%
Capital Expenditures	400,000	200,000	21,273	178,727	5.32%	-	-	-	-	0.00%	400,000	200,000	21,273	178,727	5.32%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	2,653,643	2,051,610	2,051,610	-	77.31%	-	-	-	-	0.00%	2,653,643	2,051,610	2,051,610	-	77.31%
Reserve for Uncollectible Taxes	4,819,391	-	-	-	0.00%	-	-	-	-	0.00%	4,819,391	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	96,953,606	48,476,803	38,767,167	9,709,636	39.99%	1,948,398	974,199	751,318	222,881	38.56%	98,902,004	49,451,002	39,518,485	9,932,517	39.96%
Support Services:															
Programmatic Support	9,632,419	4,816,210	4,031,401	784,808	41.85%	-	-	-	-	0.00%	9,632,419	4,816,210	4,031,401	784,808	41.85%
Total Children's Programs	106,586,025	53,293,013	42,798,568	10,494,444	40.15%	1,948,398	1,948,398	751,318	1,197,080	38.56%	108,534,423	54,267,212	43,549,886	10,717,325	40.13%
Total Expenses	120,195,913	58,163,050	47,709,125	10,453,925	39.69%	1,948,398	1,948,398	751,973	1,196,425	38.59%	122,144,311	59,137,249	48,461,098	10,676,151	39.68%
Excess Revenues over Expenses			39,269,487					(751,973)					38,517,514		
Other Financing Sources (Uses)															
Transfers in (out)	(1,948,398)	(811,833)	(751,973)	(59,860)	38.59%	1,948,398	649,466	751,973	(102,507)	38.59%	-	-	-	-	0.00%
Net Changes in Fund Balances			38,517,514										38,517,514		
Fund Balances															
October 1, 2014			60,722,030										60,722,030		
March 31, 2015			<u>\$ 99,239,544</u>					<u>\$ -</u>					<u>\$ 99,239,544</u>		

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE

AGENDA ITEM

APRIL 15, 2015

AGENDA ITEM: 3

TITLE: Investment Advisory Services RFP Results

CSC STAFF: Bill Cosgrove, Chief Financial Officer

SUMMARY:

Eight responses to the Investment Advisory Services RFP were received by the 2 pm deadline on April 1, 2015. Proposal were received from:

Cutwater Asset Management
Credit Suisse
Chandler Asset Management
Public Trust Advisors
Davidson Fixed Income Management
Dana Investment Advisors
Hillswick Asset Management
Wells Fargo Institutional Retirement & Trust

The team reviewing the proposals consists of John Marino, Jen Diehl, Tom Sheehan, Robert Kurimski (CSC's Chief Technology Officer) and Bill Cosgrove. The review team will meet on Monday, April 13, 2015 to discuss the rating results. John Marino will not be physically present for the meeting on April 13th and will not be present at the April 15th Finance Committee meeting. He has submitted his ratings for consideration by the remainder of the team when preparing a recommendation to the Finance Committee regarding the successful proposer.

Since the materials for the Finance Committee are being distributed prior to the team's discussion of the ratings, a recommendation as to the successful proposer is not being presented in the materials, but will be made at the April 15th Finance Committee meeting.

RECOMMENDATION:

Due to timing restraints, I recommend that the recommendation made at the April 15th meeting be tentative pending the outcome of an interview with the firm selected and that the final decision be made at a brief Finance Committee meeting to be scheduled on April 23, 2015 immediately preceding the Planning Session that is scheduled for that same day.

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE

AGENDA ITEM

APRIL 15, 2015

AGENDA ITEM: 4

TITLE: Budget Forecast 2015/16-2019/2020

CSC STAFF: Jen Diehl, Controller

SUMMARY:

In preparation for the Planning Session on April 23, 2015, four budget forecast scenarios are being presented for your review.

Throughout each of the scenarios there are assumptions that are constant for both the Expenditures and Revenues. Those assumptions are:

Expenditures

The budgeted number of staff will increase from 102 to 104 in fiscal year 2015/16 and will remain constant throughout the remaining four years.

Merit increases in salaries are budgeted at 3% per year.

Promotional increases in salaries are budgeted at .5% per year.

Health insurance costs will increase at the rate of 15% per year.

Costs associated with facility operations will increase at 3% per year.

Computer equipment will be replaced in 2016/17.

Allocations to programs Children's Programs and Special Services will be at the level necessary to continue the programs funded in 2014/2015 at the same level for 2015/2016. Allocations will increase by \$2.5 million in 2017/2018 to accommodate the second wave of funding for the Child First Program.

Revenues

The proposed millage rate for 2015/2016 will be .6745, the same as it is for 2014/2015.

Other funders' income will reduce \$1,000,000 per year until CSC is providing the entire local match for the Head Start program.

The fund balance will continue to be drawn down until the balance reaches 30% of the annual budget as provided for in the Council's fund balance policy.

CSC will continue to experience an under expenditure rate of 5% of the total budget. The 5% under expenditure will revert to the fund balance.

Differences

The differences in the scenarios are in the revenue projections related to the ad valorem revenues and the resulting use of fund balance to balance the budget. Following are the tax base assumptions, the impact on millage rate, and the potential need for budget cuts:

Scenario 1 – Tax base increases 5% in 15/16, 4% in 16/17 and 3% every year thereafter. The millage rate is maintained .6745 for 15/16, increases 3% for years 16/17 and every year thereafter. This scenario results in having to cut expenditures in fiscal years 17/18 and 18/19.

Scenario 2 – Tax base increases 5% in 15/16, 4% in 16/17 and 3% every year thereafter. Millage rate is maintained at .6745 for 15/16 and increases by 3.5% every year thereafter. This scenario results in no projected spending cuts. This scenario results in a fund balance below 30% of the budget for 4 continuous years.

Scenario 3 - Tax base increases 5% in 15/16, 4% in 16/17 and 3% every year thereafter. Millage rate is maintained at .6745 for 15/16 and increases by 3.5% in 16/17, 4% in 17/18, 4.25% in 18/19 and 4% in 19/20. This scenario results in no projected spending cuts. This scenario results in a fund balance below 30% of the budget for 3 continuous years.

Scenario 4 - Tax base increases 8% in 15/16, 5% in 16/17 and 17/18 and 4% every year thereafter. The millage rate is maintained .6745 for 15/16 and 16/17, increases 3.5% in 17/18, .75% in 18/19 and is maintained for 19/20. This scenario would not result in any expenditure cuts throughout the five year projection.

RECOMMENDATION:

Since Scenario 4 most closely reflects the increase in property values that the county actually experienced in 14/15 while not having to cut expenditures, I recommend that Scenario 4 be used for the purpose of the budget portion of the planning session and also used to support the revenue assumptions made in preparing the Proposed CSC 15/16 annual operating budget that is included in this packet of materials and will be presented for information purposes at the April 23, 2015 Council meeting.

Children's Services of Palm Beach County
Budget Forecast 2015/2016-2019/2020

Scenario 1

- * Millage maintained in 15/16, increased 3% every year after
- * Tax base increased 5% in 15/16, 4% in 16/17 and 3% every year after
- * Under expenditure rate is projected at 5%
- * Targeted fund balance is 30% of the total budget
- * Decrease of expenditures in 17-18 and 18-19

Fiscal Year	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	30% of budget
2013/14	130,321,498,152	0.7025	88,197,559	6,018,306	8,373,634	102,589,499	69,095,664	
2014/15	139,900,935,028	0.6745	94,363,181	7,473,295	20,307,835	122,144,311	55,895,044	36,643,293
2015/16	146,895,981,779	0.6745	99,081,340	7,754,823	17,495,622	124,331,785	45,616,011	37,299,535
2016/17	152,771,821,051	0.6947	106,135,931	6,754,823	14,363,702	127,254,456	38,615,032	38,176,337
2017/18	157,354,975,682	0.7156	112,599,609	5,754,823	8,021,140	126,375,572	37,912,671	37,912,672
2018/19	162,075,624,953	0.7370	119,456,926	4,654,823	6,307,787	130,419,535	39,125,861	39,125,861
2019/20	166,937,893,701	0.7592	126,731,852	4,654,823	3,562,714	134,949,389	43,310,617	40,484,817

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
REVENUES							
Ad valorem Taxes	88,197,559	94,363,181	99,081,340	106,135,931	112,599,609	119,456,926	126,731,852
Grant Income	4,548,544	3,053,295	4,404,823	4,404,823	4,404,823	4,404,823	4,404,823
Head Start Revenue	1,025,000	4,100,000	3,100,000	2,100,000	1,100,000	-	-
Interest Income	138,674	150,000	150,000	150,000	150,000	150,000	150,000
Other Income	306,088	170,000	100,000	100,000	100,000	100,000	100,000
Cash Balances Brought Forward	8,373,634	20,307,835	17,495,622	14,363,702	8,021,140	6,307,787	3,562,714
Total	102,589,499	122,144,311	124,331,785	127,254,456	126,375,572	130,419,535	134,949,389
EXPENDITURES							
Personnel	10,977,746	11,744,467	12,108,090	12,672,641	13,237,193	13,801,744	14,366,296
Travel	242,087	234,400	244,550	244,550	244,550	244,550	244,550
Building Space	725,923	719,501	724,000	745,720	768,092	791,134	814,868
Communications	84,484	94,601	74,600	74,600	74,600	74,600	74,600
Printing & Supplies	344,389	218,400	229,000	229,000	229,000	229,000	229,000
Other Expenses	1,674,911	1,857,904	1,646,940	1,646,940	1,646,940	1,646,940	1,646,940
Capital Expenses	396,881	400,000	400,000	660,000	400,000	400,000	400,000
Non-Operating Expenses	1,456,604	2,653,643	2,807,845	2,807,845	2,807,845	2,807,845	2,807,845
Allocations Children's Programs and Special Services	86,686,474	98,902,004	100,642,693	102,366,363	105,988,755	106,969,553	107,528,697
Decrease in expenditures needed to maintain fund balance	-	-	-	-	(5,151,383)	(3,018,678)	-
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for uncollectable Tax	-	4,819,391	4,954,067	5,306,797	5,629,980	5,972,846	6,336,593
Total	102,589,499	122,144,311	124,331,785	127,254,456	126,375,572	130,419,535	134,949,389
Direct service %	84.50%	80.97%	80.95%	80.44%	79.79%	79.70%	79.68%
Program Support (Estimate)	8.03%	7.21%	7.30%	7.47%	7.86%	7.94%	7.98%
Total program direct and support	92.52%	88.18%	88.25%	87.91%	87.65%	87.64%	87.67%
Personnel %	10.70%	9.62%	9.74%	9.96%	10.47%	10.58%	10.65%

Items included in projection:

- added 15% health increase
- Merit increases in salaries (3%)
- Promotional increases in salaries (.5%)
- capital - new computers 16-17
- added 3% increase in building space
- Programs based on projection plus 3% increase plus health insurance cost driver

Children's Services of Palm Beach County
Budget Forecast 2015/2016-2019/2020

Scenario 2

- * Millage maintained in 15/16, increased 3.5% every year after
- * Tax base increased 5% in 15/16, 4% in 16/17 and 3% every year after
- * Under expenditure rate is projected at 5%
- * Targeted fund balance is 30% of the total budget, under fund balance
- * No decrease of expenditures

Fiscal Year	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	30% of budget
2013/14	130,321,498,152	0.7025	88,197,559	6,018,306	8,373,634	102,589,499	69,095,664	
2014/15	139,900,935,028	0.6745	94,363,181	7,473,295	20,307,835	122,144,311	55,895,044	36,643,293
2015/16	146,895,981,779	0.6745	99,081,340	6,852,244	18,398,201	124,331,785	44,713,432	37,299,535
2016/17	152,771,821,051	0.6981	106,651,154	5,852,244	14,776,819	127,280,217	37,300,624	38,184,065
2017/18	157,354,975,682	0.7225	113,695,463	4,852,244	13,034,041	131,581,748	31,845,670	39,474,524
2018/19	162,075,624,953	0.7478	121,205,048	3,752,244	8,568,327	133,525,619	30,953,624	40,057,686
2019/20	166,937,893,701	0.7740	129,210,642	3,752,244	2,110,443	135,073,328	36,596,848	40,521,999

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
REVENUES							
Ad valorem Taxes	88,197,559	94,363,181	99,081,340	106,651,154	113,695,463	121,205,048	129,210,642
Grant Income	4,548,544	3,053,295	3,502,244	3,502,244	3,502,244	3,502,244	3,502,244
Head Start Revenue	1,025,000	4,100,000	3,100,000	2,100,000	1,100,000	-	-
Interest Income	138,674	150,000	150,000	150,000	150,000	150,000	150,000
Other Income	306,088	170,000	100,000	100,000	100,000	100,000	100,000
Cash Balances Brought Forward	8,373,634	20,307,835	18,398,201	14,776,819	13,034,041	8,568,327	2,110,443
Total	102,589,499	122,144,311	124,331,785	127,280,217	131,581,748	133,525,619	135,073,328

EXPENDITURES							
Personnel	10,977,746	11,744,467	12,108,090	12,672,641	13,237,193	13,801,744	14,366,296
Travel	242,087	234,400	244,550	244,550	244,550	244,550	244,550
Building Space	725,923	719,501	724,000	745,720	768,092	791,134	814,868
Communications	84,484	94,601	74,600	74,600	74,600	74,600	74,600
Printing & Supplies	344,389	218,400	229,000	229,000	229,000	229,000	229,000
Other Expenses	1,674,911	1,857,904	1,646,940	1,646,940	1,646,940	1,646,940	1,646,940
Capital Expenses	396,881	400,000	400,000	660,000	400,000	400,000	400,000
Non-Operating Expenses	1,456,604	2,653,643	2,807,845	2,807,845	2,807,845	2,807,845	2,807,845
Allocations Children's Programs and Special Services	86,686,474	98,902,004	100,642,693	102,366,363	105,988,755	106,969,553	107,528,697
Decrease in expenditures needed to maintain fund balance	-	-	-	-	-	-	-
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for uncollectable Tax	-	4,819,391	4,954,067	5,332,558	5,684,773	6,060,252	6,460,532
Total	102,589,499	122,144,311	124,331,785	127,280,217	131,581,748	133,525,619	135,073,328

Direct service %	84.50%	80.97%	80.95%	80.43%	80.55%	80.11%	79.61%
Program Support (Estimate)	8.03%	7.21%	7.30%	7.47%	7.55%	7.75%	7.98%
Total program direct and support	92.52%	88.18%	88.25%	87.89%	88.09%	87.86%	87.58%
Personnel %	10.70%	9.62%	9.74%	9.96%	10.06%	10.34%	10.64%

Items included in projection:

- added 15% health increase
- Merit increases in salaries (3%)
- Promotional increases in salaries (.5%)
- capital - new chiller 15-16, new computers 16-17
- added 3% increase in building space
- Programs based on projection plus 3% increase plus health insurance cost driver

Children's Services of Palm Beach County
Budget Forecast 2015/2016-2019/2020

Scenario 3

* Millage maintained in 15/16, increased 3.5% in 16/17, 4% in 17/18, 4.25% in 18/19 and 4% in 19/20

* Tax base increased 5% in 15/16, 4% in 16/17 and 3% every year after

* Under expenditure rate is projected at 5%

* Targeted fund balance is 30% of the total budget, under fund balance

*No decrease of expenditures

Fiscal Year	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	30% of budget
2013/14	130,321,498,152	0.7025	88,197,559	6,018,306	8,373,634	102,589,499	69,095,664	
2014/15	139,900,935,028	0.6745	94,363,181	7,473,295	20,307,835	122,144,311	55,895,044	36,643,293
2015/16	146,895,981,779	0.6745	99,081,340	6,852,244	18,398,201	124,331,785	44,713,432	37,299,535
2016/17	152,771,821,051	0.6981	106,651,154	5,852,244	14,776,819	127,280,217	37,300,624	38,184,065
2017/18	157,354,975,682	0.7260	114,244,716	4,852,244	12,512,250	131,609,210	32,368,834	39,482,763
2018/19	162,075,624,953	0.7569	122,673,120	3,752,244	7,173,659	133,599,023	32,875,127	40,079,707
2019/20	166,937,893,701	0.7872	131,420,082	3,752,244	11,475	135,183,800	40,622,842	40,555,140

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
REVENUES							
Ad valorem Taxes	88,197,559	94,363,181	99,081,340	106,651,154	114,244,716	122,673,120	131,420,082
Grant Income	4,548,544	3,053,295	3,502,244	3,502,244	3,502,244	3,502,244	3,502,244
Head Start Revenue	1,025,000	4,100,000	3,100,000	2,100,000	1,100,000	-	-
Interest Income	138,674	150,000	150,000	150,000	150,000	150,000	150,000
Other Income	306,088	170,000	100,000	100,000	100,000	100,000	100,000
Cash Balances Brought Forward	8,373,634	20,307,835	18,398,201	14,776,819	12,512,250	7,173,659	11,475
Total	102,589,499	122,144,311	124,331,785	127,280,217	131,609,210	133,599,023	135,183,800

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
EXPENDITURES							
Personnel	10,977,746	11,744,467	12,108,090	12,672,641	13,237,193	13,801,744	14,366,296
Travel	242,087	234,400	244,550	244,550	244,550	244,550	244,550
Building Space	725,923	719,501	724,000	745,720	768,092	791,134	814,868
Communications	84,484	94,601	74,600	74,600	74,600	74,600	74,600
Printing & Supplies	344,389	218,400	229,000	229,000	229,000	229,000	229,000
Other Expenses	1,674,911	1,857,904	1,646,940	1,646,940	1,646,940	1,646,940	1,646,940
Capital Expenses	396,881	400,000	400,000	660,000	400,000	400,000	400,000
Non-Operating Expenses	1,456,604	2,653,643	2,807,845	2,807,845	2,807,845	2,807,845	2,807,845
Allocations Children's Programs and Special Services	86,686,474	98,902,004	100,642,693	102,366,363	105,988,755	106,969,553	107,528,697
Decrease in expenditures needed to maintain fund balance	-	-	-	-	-	-	-
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for uncollectable Tax	-	4,819,391	4,954,067	5,332,558	5,712,236	6,133,656	6,571,004
Total	102,589,499	122,144,311	124,331,785	127,280,217	131,609,210	133,599,023	135,183,800

Direct service %	84.50%	80.97%	80.95%	80.43%	80.53%	80.07%	79.54%
Program Support (Estimate)	8.03%	7.21%	7.30%	7.47%	7.54%	7.75%	7.97%
Total program direct and support	92.52%	88.18%	88.25%	87.89%	88.08%	87.82%	87.51%
Personnel %	10.70%	9.62%	9.74%	9.96%	10.06%	10.33%	10.63%

Items included in projection:

- added 15% health increase
- Merit increases in salaries (3%)
- Promotional increases in salaries (.5%)
- capital - new chiller 15-16, new computers 16-17
- added 3% increase in building space
- Programs based on projection plus 3% increase plus health insurance cost driver

Children's Services of Palm Beach County
Budget Forecast 2015/2016-2019/2020

Scenario 4

- * Millage maintained in 15/16 and 16/17, 3.5% in 17/18, .75% in 18/19 and maintained thereafter
- * Tax base increased 8% in 15/16, 5% in 16/17 and 17/18 and 4% every year after
- * Under expenditure rate is projected at 5%
- * Targeted fund balance is 30% of the total budget
- * No decrease of expenditures

Fiscal Year	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	30% of budget
2013/14	130,321,498,152	0.7025	88,197,559	6,018,306	8,373,634	102,589,499	69,095,664	
2014/15	139,900,935,028	0.6745	94,363,181	7,473,295	20,307,835	122,144,311	55,895,044	36,643,293
2015/16	151,093,009,830	0.6745	101,912,235	7,753,823	14,665,727	124,331,785	48,445,907	37,299,536
2016/17	158,647,660,322	0.6745	107,007,847	6,753,823	13,536,382	127,298,052	42,274,427	38,189,416
2017/18	166,580,043,338	0.6981	116,290,778	5,753,823	9,666,913	131,711,513	40,193,090	39,513,454
2018/19	173,243,245,071	0.7033	121,849,477	4,653,823	7,054,541	133,557,841	40,816,441	40,067,352
2019/20	180,172,974,874	0.7033	126,723,456	4,653,823	3,571,690	134,948,969	44,992,199	40,484,691

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
REVENUES							
Ad valorem Taxes	88,197,559	94,363,181	101,912,235	107,007,847	116,290,778	121,849,477	126,723,456
Grant Income	4,548,544	3,053,295	4,403,823	4,403,823	4,403,823	4,403,823	4,403,823
Head Start Revenue	1,025,000	4,100,000	3,100,000	2,100,000	1,100,000	-	-
Interest Income	138,674	150,000	150,000	150,000	150,000	150,000	150,000
Other Income	306,088	170,000	100,000	100,000	100,000	100,000	100,000
Cash Balances Brought Forward	8,373,634	20,307,835	14,665,727	13,536,382	9,666,913	7,054,541	3,571,690
Total	102,589,499	122,144,311	124,331,785	127,298,052	131,711,513	133,557,841	134,948,969
EXPENDITURES							
Personnel	10,977,746	11,744,467	12,108,090	12,672,641	13,237,193	13,801,744	14,366,296
Travel	242,087	234,400	244,550	244,550	244,550	244,550	244,550
Building Space	725,923	719,501	724,000	745,720	768,092	791,134	814,868
Communications	84,484	94,601	74,600	74,600	74,600	74,600	74,600
Printing & Supplies	344,389	218,400	229,000	229,000	229,000	229,000	229,000
Other Expenses	1,674,911	1,857,904	1,646,940	1,646,940	1,646,940	1,646,940	1,646,940
Capital Expenses	396,881	400,000	400,000	660,000	400,000	400,000	400,000
Non-Operating Expenses	1,456,604	2,653,643	2,807,845	2,807,845	2,807,845	2,807,845	2,807,845
Allocations Children's Programs and Special Services	86,686,474	98,902,004	100,642,693	102,366,363	105,988,755	106,969,553	107,528,697
Decrease in expenditures needed to maintain fund balance	-	-	-	-	-	-	-
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for uncollectable Tax	-	4,819,391	4,954,067	5,350,392	5,814,539	6,092,474	6,336,173
Total	102,589,499	122,144,311	124,331,785	127,298,052	131,711,513	133,557,841	134,948,969
Direct service %	84.50%	80.97%	80.95%	80.41%	80.47%	80.09%	79.68%
Program Support (Estimate)	8.03%	7.21%	7.30%	7.47%	7.54%	7.75%	7.98%
Total program direct and support	92.52%	88.18%	88.25%	87.88%	88.01%	87.84%	87.67%
Personnel %	10.70%	9.62%	9.74%	9.96%	10.05%	10.33%	10.65%

Items included in projection:

- added 15% health increase
- Merit increases in salaries (3%)
- Promotional increases in salaries (.5%)
- capital - new chiller 15-16, new computers 16-17
- added 3% increase in building space
- Programs based on projection plus 3% increase plus health insurance cost driver

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE
AGENDA ITEM
April 15, 2015

AGENDA ITEM: 5

TITLE: Proposed 2015/2016 Annual Budget

CSC STAFF: Bill Cosgrove, Chief Financial Officer
Jennifer Diehl, Controller

SUMMARY:

In addition to the notes to the budget, this budget incorporates the goals, strategies and outcomes to be presented at the Annual Council Planning Session on April 23, 2015.

Ad valorem tax revenue to support the proposed budget amounts to \$101,912,235 which is based on a projected 8% increase in the total tax base within Palm Beach County. The proposed millage rate will be maintained at .6745.

The proposed 2015-2016 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 \$124,331,785.

Of the total proposed \$124,331,785, Children's Programs Direct Services are budgeted for \$100,642,693 or 80.95% and Program Administrative Support is budgeted for \$9,747,397 or 7.84% for a combined total of \$110,390,090 or 88.79% of the total budget. The Children's Programs Direct Services budget reflects a 1.76% or \$1,740,689 increase from 2014/2015. This increase is attributed to additional services for the children including a complete first year of the new Child First program, the redesigned Quality Counts system as well as the expansion of other existing programs. The Program Administrative Support budget reflects a 1.19% or \$114,978 increase which relates to an annually revised general and administrative allocation, increased costs related to support personnel such as merit increases and health insurance.

The proposed budget for the administrative costs of the Council is \$5,279,783, representing a .82% or \$42,929 increase over the 2014/2015 budget. This increase reflects the annually revised general and administrative allocation as well as personnel increases mentioned previously. The proposed budget for capital expenses is \$400,000, representing the same amount as the prior year.

The budget being proposed contains a projected 15% increase over the 2014/2015 health insurance premiums, a 3% total merit pool in correlation with staff performance evaluations and .5% total pool in relation to promotional increases.

RECOMMENDATION: The Finance Committee and Council approve the proposed 2015/2016 Annual Budget.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>2014/15 APPROVED BUDGET</u>	<u>2015/16 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 94,363,181	\$ 101,912,235	\$ 7,549,054	8.00%
GRANT INCOME				
Palm Beach County Head Start Match	4,100,000	3,100,000	(1,000,000)	100.00%
Department of Health/Agency for Health Care Administration	<u>3,053,295</u>	<u>4,404,823</u>	<u>1,351,528</u>	<u>44.26%</u>
Sub-Total Grant Income	<u>7,153,295</u>	<u>7,504,823</u>	<u>351,528</u>	<u>4.91%</u>
INTEREST INCOME	150,000	150,000	-	0.00%
INCOME FROM TENANTS	70,000	70,000	-	100.00%
OTHER INCOME	100,000	100,000	-	0.00%
CASH BALANCES BROUGHT FORWARD	<u>20,307,835</u>	<u>14,594,727</u>	<u>(5,713,108)</u>	<u>-28.13%</u>
TOTAL	\$ 122,144,311	\$ 124,331,785	\$ 2,187,474	1.79%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 98,902,004	\$ 100,642,693	\$ 1,740,689	1.76%
Support Services	<u>9,632,419</u>	<u>9,747,397</u>	<u>114,978</u>	<u>1.19%</u>
Sub-Total Children's Programs	<u>108,534,423</u>	<u>110,390,090</u>	<u>1,855,667</u>	<u>1.71%</u>
ADMINISTRATIVE EXPENSES	5,236,854	5,279,783	42,929	0.82%
CAPITAL EXPENDITURES	400,000	400,000	-	0.00%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	786,779	790,000	3,221	0.41%
Palm Beach County Tax Collector Fees	<u>1,866,864</u>	<u>2,017,845</u>	<u>150,981</u>	<u>8.09%</u>
Sub-Total	<u>2,653,643</u>	<u>2,807,845</u>	<u>154,202</u>	<u>5.81%</u>
CONTINGENCY	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>0.00%</u>
SUB-TOTAL EXPENDITURES	117,324,920	119,377,718	2,052,798	1.75%
RESERVE FOR UNCOLLECTABLE TAX	<u>4,819,391</u>	<u>4,954,067</u>	<u>134,676</u>	<u>2.79%</u>
TOTAL	\$ 122,144,311	\$ 124,331,785	\$ 2,187,474	1.79%

PROPOSED MILLAGE RATE:

0.6745

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>		<u>2015 - 2016</u>	
			<u>PREVENTION PARTNERSHIPS</u>		<u>TOTAL BUDGET</u>	
			<u>FOR CHILDREN, INC.</u>			
<u>REVENUES</u>						
AD VALOREM TAXES	\$ 101,912,235	83.45%	-	0.00%	\$ 101,912,235	81.97%
GRANT INCOME						
Palm Beach County Head Start Match	3,100,000	2.54%	-	0.00%	3,100,000	2.49%
Department of Health/Agency for Health Care Administration	<u>4,404,823</u>	3.61%	-	0.00%	<u>4,404,823</u>	3.54%
Sub-Total Grant Income	<u>7,504,823</u>	<u>6.15%</u>	-	0.00%	<u>7,504,823</u>	<u>6.04%</u>
INTEREST INCOME	150,000	0.12%	-	0.00%	150,000	0.12%
INCOME FROM TENANTS	70,000	0.06%	-	0.00%	70,000	0.06%
OTHER INCOME	100,000	0.08%	-	0.00%	100,000	0.08%
TRANSFER IN (OUT)	<u>(2,210,398)</u>	-1.81%	<u>2,210,398</u>	100.00%	-	<u>0.00%</u>
CASH BALANCES BROUGHT FORWARD	<u>14,594,727</u>	11.95%	-	0.00%	<u>14,594,727</u>	11.74%
TOTAL	<u>\$ 122,121,387</u>	<u>99.94%</u>	<u>\$ 2,210,398</u>	<u>100.00%</u>	<u>\$ 124,331,785</u>	<u>100.00%</u>
<u>EXPENDITURES</u>						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 96,402,295	78.94%	\$ 2,210,398	100.00%	\$ 98,612,693	79.31%
Special Funds and Other	95,000	0.08%	-	0.00%	95,000	0.08%
Public Awareness	1,935,000	1.58%	-	0.00%	1,935,000	1.56%
Sub-total Direct Services	<u>98,432,295</u>	<u>80.60%</u>	<u>2,210,398</u>	<u>100.00%</u>	<u>100,642,693</u>	<u>80.95%</u>
Support Services						
Programmatic Support Expenses	9,747,397	7.98%	-	0.00%	9,747,397	7.84%
Sub-total Support Services	<u>9,747,397</u>	<u>7.98%</u>	<u>-</u>	<u>0.00%</u>	<u>9,747,397</u>	<u>7.84%</u>
Sub-Total Children's Programs	<u>108,179,692</u>	<u>88.58%</u>	<u>2,210,398</u>	<u>100.00%</u>	<u>110,390,090</u>	<u>88.79%</u>
ADMINISTRATIVE EXPENSES	5,279,783	4.32%	-	0.00%	5,279,783	4.25%
CAPITAL EXPENDITURES	400,000	0.33%	-	0.00%	400,000	0.32%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	790,000	0.65%	-	0.00%	790,000	0.64%
Palm Beach County Tax Collector Fees	<u>2,017,845</u>	<u>1.65%</u>	-	0.00%	<u>2,017,845</u>	<u>1.62%</u>
Sub-Total Non Operating Expenses	2,807,845	2.30%	-	0.00%	2,807,845	2.26%
CONTINGENCY	<u>500,000</u>	0.41%	-	0.00%	<u>500,000</u>	<u>0.40%</u>
SUB-TOTAL EXPENDITURES	<u>117,167,320</u>	<u>95.94%</u>	<u>2,210,398</u>	<u>100.00%</u>	<u>119,377,718</u>	<u>96.02%</u>
RESERVE FOR UNCOLLECTABLE TAX	<u>4,954,067</u>	<u>4.06%</u>	-	0.00%	<u>4,954,067</u>	<u>3.98%</u>
TOTAL	<u>\$ 122,121,387</u>	<u>100.00%</u>	<u>\$ 2,210,398</u>	<u>100.00%</u>	<u>\$ 124,331,785</u>	<u>100.00%</u>
MILLAGE RATE:	0.6745					

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
SALARIES	386,940	1,007,412	1,136,894	3,646,446	704,609	949,062	7,831,363
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
FRINGE BENEFITS							
A. FICA	19,196	61,869	66,960	224,325	42,353	57,238	471,941
B. FICA MED	5,611	14,608	16,485	52,873	10,217	13,761	113,555
C. FL Unemployment	5,340	13,902	15,689	50,321	9,724	13,097	108,073
D. Workers' Comp	624	2,704	3,120	11,024	1,872	2,288	21,632
E. Health Plan	90,105	246,103	286,423	1,083,604	217,867	273,302	2,197,404
F. Retirement	52,081	141,037	164,852	438,574	79,376	114,131	990,052
G. Long Term Disability	844	3,659	4,221	14,915	2,533	3,096	29,268
H. Tuition Reimbursement	-	50,000	-	-	-	-	50,000
I. Deferred Compensation	-	-	-	-	-	-	-
J. Retirement Health Savings	3,745	16,227	18,724	66,157	11,234	13,731	129,817
K. Short Term Disability	727	3,148	3,633	12,835	2,180	2,664	25,186
L. Other Fringe Benefits	3,600	15,600	18,000	63,600	10,800	13,200	124,800
Total Fringe Benefits	181,872	568,856	598,107	2,018,229	388,156	506,508	4,261,728
TOTAL PERSONNEL	568,812	1,576,268	1,735,000	5,679,674	1,092,765	1,455,569	12,108,090
TRAVEL							
A. Local Mileage	1,500	750	3,200	5,000	2,500	500	13,450
B. Staff Development / CSC Business-Related Travel	12,000	44,100	25,000	106,000	18,000	20,000	225,100
C. Council Member Travel	3,000	-	-	-	-	-	3,000
D. Business Expense	3,000	-	-	-	-	-	3,000
TOTAL TRAVEL	19,500	44,850	28,200	111,000	20,500	20,500	244,550
BUILDING SPACE							
A. Maintenance & Security	11,538	49,999	57,692	203,848	34,615	42,308	400,000
B. Offsite Storage	-	-	-	2,000	-	-	2,000
C. Utilities	5,769	25,001	28,846	101,922	17,308	21,154	200,000
D. Emergency Maintenance Fund	1,442	6,250	7,212	25,481	4,327	5,288	50,000
E. Quantum Park Fees and Assessments	346	1,499	1,730	6,118	1,038	1,269	12,000
F. Real Estate Taxes Quantum Park	1,731	7,501	8,654	30,576	5,192	6,346	60,000
TOTAL BUILDING SPACE	20,826	90,250	104,134	369,945	62,480	76,365	724,000
COMMUNICATIONS							
A. Telecommunications	1,442	6,252	7,212	25,479	4,327	5,288	50,000
B. Postage	-	-	17,000	-	-	-	17,000
2015 Tax Notices	-	-	7,600	-	-	-	7,600
Total Postage	-	-	24,600	-	-	-	24,600
TOTAL COMMUNICATIONS	1,442	6,252	31,812	25,479	4,327	5,288	74,600
PRINTING & SUPPLIES							
A. Supplies	1,240	5,374	6,201	21,916	3,721	4,548	43,000
B. Meeting Supplies	1,400	5,200	500	5,000	500	400	13,000
C. Computer Supplies	-	-	-	-	-	20,000	20,000

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
D. Printing	200	500	300	400	100,000	1,600	103,000
E. Photography/Video		-	-	-	50,000	-	50,000
TOTAL PRINTING & SUPPLIES	2,840	11,074	7,001	27,316	154,221	26,548	229,000
OTHER EXPENSES							
A. Purchase of Service							
1. Legal	43,000	-	-	-	-	-	43,000
2. Audit	-	-	65,000	-	-	-	65,000
3. Consulting	100,000	74,000	-	200,000	25,000	50,000	449,000
4. Inspector General Fee	-	78,302	78,302	-	-	-	156,604
B. Insurance	200,000	-	-	-	-	-	200,000
C. Staff Development - In House	-	64,000	-	-	-	-	64,000
D. Dues	130,000	6,800	2,500	5,000	2,000	500	146,800
E. Background Checks/Fingerprinting	-	2,000	-	-	-	-	2,000
F. Subscrip/Publications	1,000	14,700	1,500	3,000	500	2,000	22,700
G. Public Notices & Employment Ads	-	12,000	-	-	-	-	12,000
H. Copier Equipment	2,019	8,750	10,096	35,673	6,058	7,404	70,000
I. Computer Maint & Support	-	-	-	-	-	334,336	334,336
J. Planning & Policy Issues	75,000	-	-	-	-	-	75,000
K. Banking Services	-	-	3,000	-	-	-	3,000
L. Service Awards & Recognition	-	3,500	-	-	-	-	3,500
TOTAL OTHER EXPENSES	551,019	264,052	160,398	243,673	33,558	394,240	1,646,940
TOTAL ADMINISTRATIVE EXPENSES	1,164,439	1,992,746	2,066,545	6,457,087	1,367,851	1,978,510	15,027,180
CAPITAL EXPENSES							
A. Furniture & Equipment	-	50,000	-	-	-	-	50,000
B. Computer Hardware	-	-	-	-	-	200,000	200,000
C. Computer Software	-	-	-	-	-	100,000	100,000
D. Building Improvements	-	50,000	-	-	-	-	50,000
TOTAL CAPITAL EXPENSES	-	100,000	-	-	-	300,000	400,000
NON OPERATING EXPENSES							
A. Property Appraiser Fee	790,000	-	-	-	-	-	790,000
B. Tax Collector Fee	2,017,845	-	-	-	-	-	2,017,845
TOTAL NON-OPERATING EXPENSES	2,807,845	-	-	-	-	-	2,807,845
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	96,402,295	-	-	96,402,295
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	575,000	1,360,000	-	1,935,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES	-	-	-	96,977,295	1,455,000	-	98,432,295
CONTINGENCY	500,000	-	-	-	-	-	500,000
RESERVE FOR UNCOLLECTABLE TAX	4,954,067	-	-	-	-	-	4,954,067
TOTAL BUDGET	9,426,351	2,092,746	2,066,545	103,434,382	2,822,851	2,278,510	122,121,387

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	Executive	Talent &	Finance	Program	Communications	Information	TOTALS
Expenses	Administration	Operations		Services		Management	
Budget: Administrative Expenses	1,164,439	1,819,397	835,462	330,081	564,570	565,834	5,279,783
Budget: Capital Expenses		100,000	-	-	-	300,000	400,000
Budget: Children's Program: Direct Services		-	-	96,977,295	1,455,000	-	98,432,295
Budget: Children's Program: Support Services		173,350	1,231,084	6,127,006	803,281	1,412,676	9,747,397
Budget: Non-Operating Expenses	8,261,912	-	-	-	-	-	8,261,912
TOTAL BUDGET	9,426,351	2,092,746	2,066,545	103,434,382	2,822,851	2,278,510	122,121,387

Children's Services Council Notes to 2015/16 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, the 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 departments.
- D. Program Services** – Reflects the costs associated with the funded programs, initiatives and community partnerships such as the Provider Professional Development, Healthy Beginnings, Quality Early Care and Education, Bridges, Initiatives and Community Partnerships. This division also reflects the costs associated with Knowledge Management. In addition to funding from ad-valorem tax revenue there is financial support for the programs, initiatives and community partnerships. This support comes from the Department of Health and the Agency for Health Care Administration through the Healthy Start Coalition as well as from the Palm Beach County Head Start Match.
- E. Communications**- Reflects the costs associated with the Communications department.
- F. Information Management**- Reflects the costs associated with the Information Management department.

2. Personnel

- The proposed 2015/16 fiscal year budget contains funding for 104 approved positions and a 3% total merit pool in correlation with staff performance evaluations.
- 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 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 15% over 2014/15 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 2015/16 fiscal year.

Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget

- 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 \$0.575 per mile based on the Internal Revenue Service standard mileage rate for 2015. 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 and Provider agency 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 maintenance agreements. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Offsite storage costs reflect the expenses related to the storage of historical data at a third party location.
- 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 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 amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.

**Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget**

- The cost of mailing the 2015 tax notices has been included as expenditure in conformity with legislation which requires each taxing authority to reimburse the tax collector for their 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. Additional amounts have been provided to cover projected costs associated with various documents produced in accordance with the CSC publication plan that has been developed.
- Photography/video costs are expenses associated with the communications department and the public education of program services.

7. Other Expenses

- Legal expenses reflect actual expenses incurred resulting from CSC's administrative issues.
- Audit reflects the projected amounts for the annual audit.
- 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 Information Management 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 policies and procedures.
- 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.

**Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget**

- 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.
- 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 cover the costs of bank and credit card 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 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 summarized as follows:

Furniture & Equipment	\$50,000
Computer Hardware	\$200,000
Computer Software	\$100,000
Building Improvements	\$50,000
Total	\$400,000

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 approximately \$100,642,693.

11. Contingencies

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

**Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget**

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.

13. Ad Valorem Tax

Revenue is calculated based on a projected estimate of taxable value which reflects an estimated 8% increase in the taxable value from the previous year. The millage rate is being maintained at .6745 for the 2015/16 fiscal year.

14. Grant Income

Grant income is budgeted to reflect grant income from 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.

15. Other income

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

16. Interest income

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

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE

AGENDA ITEM

APRIL 15, 2015

AGENDA ITEM: 6

TITLE: RFP for Auditing Services Review Process

CSC STAFF: Bill Cosgrove, Chief Financial Officer

SUMMARY:

The RFP for auditing services was posted to the CSC website on April 1, 2015 in accordance with the timeline in the proposal. Direct notifications were sent to the following firms:

Crowe Horwath, LLP
Nowlen, Holt & Miner, CPA's
Caler, Donten, Levine, Porter & Veil
Marcum, LLP

The remaining steps in the process are:

Responses are due back on May 4th
Reviewed by May 14th
Interviews on May 21st
Recommendation made to the Council on May 28th

The guidelines regarding the review process will be similar to those for the review of the Investment Advisor RFP.

RECOMMENDATION:

I recommend that the proposals be reviewed at the staff level and that at least two finance committee members participate in the interview process. The interviews will be of the top two firms recommended by staff based on their review of the RFP responses.