

Children's Services Council

Finance Committee Meeting

Thursday, June 14, 2018, 4:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair
Thomas Bean, CSC and CSC Finance Committee Vice-chair
Tom Weber, CSC Chair
Paul Dumars, Director Financial Services, Solid Waste Authority
John Marino, Volunteer

CSC Staff:

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

Agenda Items:

- 1 Minutes 5/22/2018
- 2 CSC Proposed 2018/2019 Budget (April 26, 2018 version) vs. CSC Revised Proposed Budget 2018/2019
- 3 CSC Revised Proposed 2018-2019 Budget
- 4 CSC Revised Budget Forecasts 2018-2019 through 2022-2023
- 5 Adjournment

Next Meeting: August 2, 2018 4:00pm

Children's Services Council

Finance Committee Meeting

Tuesday, May 22, 2018, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Present**

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

Tom Weber, CSC Chair, **Present**

Paul Dumars, Director Financial Services, Solid Waste Authority, **Not Present**

John Marino, Volunteer, **Not Present**

CSC Staff:

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

Debra Heim, CFO, **Present**

Jennifer Diehl, **Present**

Tom Sheehan, General Counsel, **Present**

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

Agenda Items:

- 1 Minutes 4/26/2018, **Recommends Council to approve**
- 2 Proposed 2017-2018 CSC General Fund Budget Revision, **Recommends Council to approve**
- 3 Financial Statements 4/30/2018, **Recommends Council to approve**
- 4 Adjournment

Next Meeting: June 28, 2018 4:30 PM, **[Note: later revised to June 14, 2018 4:30pm due to Planning Session on June 28, 2018]**

AGENDA ITEM: 2

TITLE: Proposed Changes to 2018-2019 CSC Budget

STAFF: Debra Heim, Chief Financial Officer

SUMMARY:

The proposed 2018-2019 CSC Budget previously submitted to the Finance Committee on April 26, 2018 is being revised as set forth below. The net effect on the total budget is an increase of \$998,166.

Revenues

The following revisions to the budgeted revenues are being proposed:

- A decrease in Ad Valorem Taxes of \$1,321,756 due to a decrease in estimated property tax values provided by the tax appraiser.
- An increase in Income from Tenants of \$11,904 due to an existing tenant renewing a lease.
- An increase in Cash Balances Brought Forward for additional fund balance to be utilized of \$2,308,018.

Expenditures

The following revisions to the budgeted expenditures are being proposed:

- An increase in Direct Services of \$1,165,000 attributed to supporting identified community needs.
- A net decrease of \$31,203, from a decrease in Support Services due to reclassification of expenses and an increase in Administrative Expenses.
- A decrease of \$56,441 in Property Appraiser Fees due to lower estimate from Property Appraiser.
- A decrease of \$26,321 in Tax Collector Fees due to reduction in estimated property tax values.
- A decrease of \$52,870 in Reserve for Uncollectible Tax due to reduction in projected Ad Valorem Taxes.

RECOMMENDATION:

For informational purposes only; no action required.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
ORIGINAL PROPOSED ANNUAL BUDGET VS. REVISED ANNUAL PROPOSED BUDGET
OCTOBER 1, 2018 - SEPTEMBER 30, 2019

	<u>2018/2019 ORIGINAL PROPOSED BUDGET</u>	<u>2018/19 REVISED PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 121,241,720	\$ 119,919,964	\$ (1,321,756)	-1.09%
GRANT INCOME				
Palm Beach County Head Start Match	-	-	-	0.00%
Department of Health/Agency for Health Care Administration	3,355,246	3,355,246	-	0.00%
Sub-Total Grant Income	3,355,246	3,355,246	-	0.00%
INTEREST INCOME	1,400,000	1,400,000	-	0.00%
INCOME FROM TENANTS	65,109	77,013	11,904	18.28%
OTHER INCOME	98,824	98,824	-	0.00%
CASH BALANCES BROUGHT FORWARD	10,486,041	12,794,059	2,308,018	22.01%
TOTAL	\$ 136,646,940	\$ 137,645,106	\$ 998,166	0.73%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 112,031,465	\$ 113,196,465	\$ 1,165,000	1.04%
Support Services	10,283,225	10,220,687	(62,538)	-0.61%
Sub-Total Children's Programs	122,314,690	123,417,152	1,102,462	0.90%
ADMINISTRATIVE EXPENSES	5,560,660	5,591,996	31,336	0.56%
CAPITAL EXPENDITURES	100,000	100,000	-	0.00%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	896,881	840,440	(56,441)	-6.29%
Palm Beach County Tax Collector Fees	2,425,040	2,398,719	(26,321)	-1.09%
Sub-Total	3,321,921	3,239,159	(82,762)	-2.49%
CONTINGENCY	500,000	500,000	-	0.00%
SUB-TOTAL EXPENDITURES	131,797,271	132,848,307	1,051,036	0.80%
RESERVE FOR UNCOLLECTABLE TAX	4,849,669	4,796,799	(52,870)	-1.09%
TOTAL	\$ 136,646,940	\$ 137,645,106	\$ 998,166	0.73%

PROPOSED MILLAGE RATE:

0.6392

AGENDA ITEM: 3

TITLE: Proposed 2018-2019 CSC Annual Budget

CSC STAFF: Debra Heim, Chief Financial Officer

SUMMARY:

In addition to the notes to the budget, this budget incorporates the goals, strategies and outcomes that will be presented at the Annual Council Planning Sessions.

Ad valorem tax revenue to support the proposed budget amounts to \$119,919,964 which is based on a projected 5.84% increase in the total tax base within Palm Beach County offset by a reduction in millage of 3%. The proposed millage rate will be reduced to .6392 compared to the prior year millage rate of .6590, reflecting a net increase in revenue of 2.66%.

The proposed 2018-2019 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 \$137,645,106.

Of the total proposed \$137,645,106, Children's Programs Direct Services are budgeted for \$113,196,465 or 82.24% and Program Administrative Support is budgeted for \$10,220,687 or 7.43% for a combined total of \$123,417,152 or 89.66% of the total budget. The Children's Programs Direct Services budget reflects a 4.46% or \$4,835,000 increase from 2017/2018. This increase is attributed to supporting needed growth and newly identified community needs. The Program Administrative Support budget reflects a 4.0% or \$393,208 increase which relates to the increase in the total budget as well as the annual evaluation of the allocation of staff to support services and administrative expenses.

The proposed budget for the administrative costs of the Council is \$5,591,996 representing a 2.77% or \$150,632 increase from the 2017/2018 budget. This increase relates to the increase in the total budget as well as the annual evaluation of the allocation of staff to support services and administrative expenses. The proposed budget for capital expenses is \$100,000 for computer hardware and software, representing a 61.9% decrease or \$162,500.

The budget being proposed contains a projected 10% increase over the 2017/2018 health insurance premiums, a 3% total merit pool in correlation with staff performance evaluations and .5% total pool in relation to promotional increases.

RECOMMENDATION:

Recommend Council tentative approval of proposed 2018-2019 CSC Annual Budget and authorize staff to provide the Property Appraiser the tentative millage rate contained in the Budget (with staff having the authority to adjust the millage rate to provide the same amount of budgeted tax revenue in the event the final figures from the Property Appraiser are different than the preliminary figures used to calculate the tax revenue).

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2018 - SEPTEMBER 30, 2019

	<u>2017/18 APPROVED BUDGET</u>	<u>2018/19 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 116,814,453	\$ 119,919,964	\$ 3,105,511	2.66%
GRANT INCOME				
Palm Beach County Head Start Match	1,100,000	-	(1,100,000)	-100.00%
Department of Health/Agency for Health Care Administration	3,355,246	3,355,246	-	0.00%
Sub-Total Grant Income	4,455,246	3,355,246	(1,100,000)	-24.69%
INTEREST INCOME	500,000	1,400,000	900,000	180.00%
INCOME FROM TENANTS	75,000	77,013	2,013	2.68%
OTHER INCOME	125,000	98,824	(26,176)	-20.94%
CASH BALANCES BROUGHT FORWARD	10,281,153	12,794,059	2,512,906	24.44%
TOTAL	\$ 132,250,852	\$ 137,645,106	\$ 5,394,254	4.08%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 108,361,465	\$ 113,196,465	\$ 4,835,000	4.46%
Support Services	9,827,479	10,220,687	393,208	4.00%
Sub-Total Children's Programs	118,188,944	123,417,152	5,228,208	4.42%
ADMINISTRATIVE EXPENSES	5,441,364	5,591,996	150,632	2.77%
CAPITAL EXPENDITURES	262,500	100,000	(162,500)	-61.90%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	848,079	840,440	(7,639)	-0.90%
Palm Beach County Tax Collector Fees	2,336,759	2,398,719	61,960	2.65%
Sub-Total	3,184,838	3,239,159	54,321	1.71%
CONTINGENCY	500,000	500,000	-	0.00%
SUB-TOTAL EXPENDITURES	127,577,646	132,848,307	5,270,661	4.13%
RESERVE FOR UNCOLLECTABLE TAX	4,673,206	4,796,799	123,593	2.64%
TOTAL	\$ 132,250,852	\$ 137,645,106	\$ 5,394,254	4.08%

PROPOSED MILLAGE RATE:

0.6392

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2018 - SEPTEMBER 30, 2019

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>		<u>2018 - 2019</u>	
			<u>PREVENTION PARTNERSHIPS</u>		<u>FOR CHILDREN, INC.</u>	<u>TOTAL BUDGET</u>
REVENUES						
AD VALOREM TAXES	\$ 119,919,964	88.84%	-	0.00%	\$ 119,919,964	87.12%
GRANT INCOME						
Department of Health/Agency for Health Care Administration	3,355,246	2.49%	-	0.00%	3,355,246	2.44%
Sub-Total Grant Income	<u>3,355,246</u>	<u>2.49%</u>	<u>-</u>	<u>0.00%</u>	<u>3,355,246</u>	<u>2.44%</u>
INTEREST INCOME	1,400,000	1.04%	-	0.00%	1,400,000	1.02%
INCOME FROM TENANTS	77,013	0.06%	-	0.00%	77,013	0.06%
OTHER INCOME	98,824	0.07%	-	0.00%	98,824	0.07%
TRANSFER IN (OUT)	(2,661,433)	-1.97%	2,661,433	100.00%	-	0.00%
CASH BALANCES BROUGHT FORWARD	12,794,059	9.48%	-	0.00%	12,794,059	9.29%
TOTAL	\$ 134,983,673	100.00%	\$ 2,661,433	100.00%	\$ 137,645,106	100.00%
EXPENDITURES						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 108,740,032	80.56%	\$ 2,661,433	100.00%	\$ 111,401,465	80.93%
Special Funds and Other	95,000	0.07%	-	0.00%	95,000	0.07%
Public Education/Awareness	1,700,000	1.26%	-	0.00%	1,700,000	1.24%
Sub-total Direct Services	110,535,032	81.89%	2,661,433	100.00%	113,196,465	82.24%
Support Services						
Program Support Expenses	10,220,687	7.57%	-	0.00%	10,220,687	7.43%
Sub-total Support Services	10,220,687	7.57%	-	0.00%	10,220,687	7.43%
Sub-Total Children's Programs	120,755,719	89.46%	2,661,433	100.00%	123,417,152	89.66%
ADMINISTRATIVE EXPENSES	5,591,996	4.14%	-	0.00%	5,591,996	4.06%
CAPITAL EXPENDITURES	100,000	0.07%	-	0.00%	100,000	0.07%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	840,440	0.62%	-	0.00%	840,440	0.61%
Palm Beach County Tax Collector Fees	2,398,719	1.78%	-	0.00%	2,398,719	1.74%
Sub-Total Non Operating Expenses	<u>3,239,159</u>	<u>2.40%</u>	<u>-</u>	<u>0.00%</u>	<u>3,239,159</u>	<u>2.35%</u>
CONTINGENCY	500,000	0.37%	-	0.00%	500,000	0.36%
SUB-TOTAL EXPENDITURES	130,186,874	96.45%	2,661,433	100.00%	132,848,307	96.52%
RESERVE FOR UNCOLLECTABLE TAX	4,796,799	3.55%	-	0.00%	4,796,799	3.48%
TOTAL	\$ 134,983,673	100.00%	\$ 2,661,433	100.00%	\$ 137,645,106	100.00%

MILLAGE RATE:

0.6392

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 GENERAL FUND
 OCTOBER 1, 2018 - SEPTEMBER 30, 2019

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
SALARIES	462,377	1,072,817	1,155,232	3,725,957	667,557	1,395,836	8,479,776
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
FRINGE BENEFITS							
A. FICA	20,266	64,155	70,531	228,500	39,454	83,862	506,768
B. FICA MED	6,704	15,556	16,751	54,026	9,680	20,240	122,957
C. FL Unemployment	694	1,610	1,733	5,589	1,001	2,094	12,721
D. Workers' Comp	671	2,909	3,357	11,190	1,790	3,357	23,275
E. Health Plan	96,471	284,956	358,523	1,276,763	179,152	401,345	2,597,210
F. Retirement	67,955	154,111	150,060	464,704	83,405	170,503	1,090,737
G. Long Term Disability	1,630	3,960	4,210	13,652	2,464	5,190	31,105
H. Tuition Reimbursement	-	65,000	-	-	-	-	65,000
I. Retirement Health Savings	3,559	15,424	17,797	59,322	9,492	17,797	123,390
J. Short Term Disability	1,359	3,301	3,508	11,380	2,054	4,324	25,925
K. Other Fringe Benefits	3,600	15,600	18,000	60,000	9,600	18,000	124,800
L. Auto Allowance	7,000	-	-	-	-	-	7,000
Total Fringe Benefits	209,911	626,580	644,470	2,185,125	338,091	726,710	4,730,888
TOTAL PERSONNEL	672,288	1,699,397	1,799,702	5,926,082	1,005,649	2,122,547	13,225,664
TRAVEL							
A. Local Mileage	300	400	3,185	5,250	3,500	500	13,135
B. Staff Development / CSC Business-Related Travel	17,000	33,000	29,000	85,000	24,000	20,000	208,000
C. Council Member Travel	2,000	-	-	-	-	-	2,000
TOTAL TRAVEL	19,300	33,400	32,185	90,250	27,500	20,500	223,135
BUILDING SPACE							
A. Maintenance & Security	12,404	53,750	62,020	206,731	33,077	62,019	430,001
B. Utilities	4,615	20,000	23,077	76,922	12,308	23,077	159,999
C. Emergency Maintenance Fund	1,442	6,250	7,212	24,038	3,846	7,212	50,000
D. Quantum Park Fees and Assessments	346	1,499	1,731	5,769	923	1,731	11,999
E. Non Ad Valorem Assessments	1,029	4,460	5,145	17,153	2,744	5,146	35,677
TOTAL BUILDING SPACE	19,836	85,959	99,185	330,613	52,898	99,185	687,676
COMMUNICATIONS							
A. Voice/Data	1,690	7,325	8,452	28,173	4,508	8,452	58,600
B. Postage	-	-	6,000	-	-	-	6,000
2017 Tax Notices	-	-	8,000	-	-	-	8,000
Total Postage	-	-	14,000	-	-	-	14,000
TOTAL COMMUNICATIONS	1,690	7,325	22,452	28,173	4,508	8,452	72,600
PRINTING & SUPPLIES							
A. Supplies	1,154	5,001	5,769	19,231	3,077	5,769	40,001
B. Meeting Supplies	2,400	5,200	700	5,000	750	400	14,450
C. Computer Supplies	-	-	-	-	-	15,000	15,000
D. Printing	100	250	450	1,000	75,000	1,600	78,400
E. Photography/Video	-	-	-	-	50,000	-	50,000
TOTAL PRINTING & SUPPLIES	3,654	10,451	6,919	25,231	128,827	22,769	197,851
OTHER EXPENSES							
A. Purchase of Service							

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 GENERAL FUND
 OCTOBER 1, 2018 - SEPTEMBER 30, 2019

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
1. Legal	35,000	-	-	-	-	-	35,000
2. Audit	-	-	60,400	-	-	-	60,400
3. Consulting	5,000	30,000	22,000	168,378	20,000	25,000	270,378
4. Inspector General Fee	-	58,095	58,096	-	-	-	116,191
B. Insurance	210,000	-	-	-	-	-	210,000
C. Staff Development - In House	-	65,000	-	-	-	-	65,000
D. Dues	132,000	7,500	2,700	1,980	2,500	3,000	149,680
E. Background Checks/Fingerprinting	-	2,000	-	-	-	-	2,000
F. Subscriptions/Publications	2,500	17,500	1,541	2,000	7,000	500	31,041
G. Public Notices & Employment Ads	-	25,000	-	-	-	-	25,000
H. Copier Equipment	1,298	5,625	6,491	21,635	3,462	6,490	45,001
I. Computer Maint & Support	-	-	-	-	-	304,565	304,565
J. Banking Services	-	-	6,500	-	-	-	6,500
K. Investment Advisory Services	-	-	80,000	-	-	-	80,000
L. Service Awards & Recognition	-	5,000	-	-	-	-	5,000
TOTAL OTHER EXPENSES	385,798	215,720	237,728	193,993	32,962	339,555	1,405,756
TOTAL ADMINISTRATIVE EXPENSES	1,102,566	2,052,252	2,198,172	6,594,342	1,252,344	2,613,008	15,812,683
CAPITAL EXPENSES							
A. Furniture & Equipment	-	-	-	-	-	-	-
B. Computer Hardware	-	-	-	-	-	50,000	50,000
C. Computer Software	-	-	-	-	-	50,000	50,000
D. Building Improvements	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENSES	-	-	-	-	-	100,000	100,000
NON OPERATING EXPENSES							
A. Property Appraiser Fee	840,440	-	-	-	-	-	840,440
B. Tax Collector Fee	2,398,719	-	-	-	-	-	2,398,719
TOTAL NON-OPERATING EXPENSES	3,239,159	-	-	-	-	-	3,239,159
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	108,615,032	-	-	108,615,032
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	-	1,700,000	-	1,700,000
E. Communications Technology	-	-	-	-	125,000	-	125,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES	-	-	-	108,615,032	1,920,000	-	110,535,032
CONTINGENCY	500,000	-	-	-	-	-	500,000
RESERVE FOR UNCOLLECTABLE TAX	4,796,798	-	-	-	-	-	4,796,798
TOTAL BUDGET	9,638,523	2,052,252	2,198,172	115,209,374	3,172,344	2,713,008	134,983,672
Budget: Administrative Expenses	1,102,566	1,797,625	853,393	616,649	94,046	1,127,717	5,591,996
Budget: Capital Expenses	-	-	-	-	-	100,000	100,000
Budget: Children's Program: Direct Services	-	-	-	108,615,032	1,920,000	-	110,535,032
Budget: Children's Program: Support Services	-	254,628	1,344,779	5,977,692	1,158,298	1,485,291	10,220,687
Budget: Non-Operating Expenses	8,535,957	-	-	-	-	-	8,535,957
TOTAL BUDGET	9,638,523	2,052,252	2,198,172	115,209,374	3,172,344	2,713,008	134,983,672

Children's Services Council
Notes to 2018/19 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.
- E. Communications**- Reflects the costs associated with the Communications department.
- F. Information Management**- Reflects the costs associated with the Information Management department and Information Technology.

2. Personnel

- The proposed 2018/19 fiscal year budget contains funding for 104 approved positions, a 3% merit pool in correlation with staff performance evaluations and 0.5% 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 less, 15% of eligible salaries for employees employed between eleven and fifteen years,

**Children's Services Council
Notes to 2018/19 Fiscal Year Proposed Budget**

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 2017/18 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 2018/19 fiscal year.
- Retirement Health Savings reflects an estimated amount based on historical expenditures.
- 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 \$0.545 per mile based on the Internal Revenue Service standard mileage rate for 2018. 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 existing contracts and anticipated contracts 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

Children's Services Council
Notes to 2018/19 Fiscal Year Proposed Budget

covered under 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 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 2018 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 audit.

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- 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.
 - Finance – Consultants may be used to provide professional assistance.
 - 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 Communications in the use of translation services.
 - Information Management - 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 Inspector General fee is a charge for the Inspector General to investigate complaints and provide contract oversight.
- Insurance is made up of expenses related to non-benefit insurance premiums.
- Staff Development – In House 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

**Children's Services Council
Notes to 2018/19 Fiscal Year Proposed Budget**

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 and Investment Advisory services cover the costs of bank 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 total cost associated with these items are \$100,000 for computer hardware and computer software.

9. Non-operating expenses

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

10. Allocations Children's Programs and Special Services

The total proposed allocation to children's programs and initiatives plus special services is \$113,196,465.

This year following the Public Education line item, there is a separate line item for Communications Technology primarily for maintenance and enhancements of the EveryParent website and apps.

11. Contingencies

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

**Children's Services Council
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12. Reserve for Uncollectable Tax

A 4% 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 estimated to increase 2.66% based on an estimated increase in property tax values offset by a reduction in the millage rate. The proposed millage rate is being reduced to .6392 compared to .6590 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.

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 as anticipated by our investment advisor.

17. Cash balances brought forward

Fund balance will not fall below 27.5% of the total budget in accordance with CSC's fund balance policy.

AGENDA ITEM: 4

TITLE: CSC FORECASTS FOR FY 2018/2019 THROUGH FY 2022/2023

STAFF: Debra Heim, Chief Financial Officer

SUMMARY:

The first scenario was presented at the April 26, 2018 Finance Committee meeting (titled "Original"). The new three scenarios (titled "Scenario 1", "Scenario 2" and "Scenario 3") each reflect the following:

- A reduction in the estimate of Tax Base Increases based on estimate from Tax Appraiser for fiscal year 2018-2019. Each scenario had a 7% increase for 2018-2019, this was reduced to 5.84%. Furthermore, each scenario had an 8% increase for 2019-2020 and that has been reduced to 6.6%.
- The differences in each scenario reflect differences in millage rates and the effect of these millage rate differences (e.g., Ad Valorem Revenue, Interest Income, Non-Operating Expenses for payments to tax collector and Reserve for Uncollectible Tax.
- Interest Income is projected on the amount of fund balance utilized and therefore not available to invest as well as increases in tax revenues.
- The under expenditure rate remains at 7% for all scenarios and years.

CSC Forecast reducing millage rate 3% in 18/19 and 19/20, 2% in 20/21 and 1% in 21/22

ORIGINAL

Tax base increases 7% in 18/19, 8% in 19/20, 5% 20/21 and 4% in 21/22

Under expenditure rate is projected at 7%

Targeted fund balance is 27.5% of the total budget

	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	27.5% of Budget
2016/17 *	165,150,014,583	0.6833	108,983,420	7,425,643	0	116,409,063	50,362,524	32,012,492
2017/18	177,260,171,007	0.6590	116,814,453	5,155,246	10,281,153	132,250,852	49,338,931	36,368,984
2018/19	189,668,382,977	0.6392	121,241,720	4,919,179	10,486,041	136,646,940	48,418,175	37,577,909
2019/20	204,841,853,616	0.6201	123,012,826	4,955,246	11,436,456	139,404,528	46,740,036	38,336,245
2020/21	215,083,946,296	0.6077	126,696,198	4,955,246	13,087,781	144,739,225	43,784,001	39,803,287
2021/22	223,687,304,148	0.6016	130,564,806	4,955,246	12,061,918	147,581,970	42,052,821	40,585,042

\$ 10,840,267
 \$ 8,403,791
 \$ 3,980,714
 \$ 1,467,779

Revenues	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022
Ad valorem Taxes	108,983,420	116,814,453	121,241,720	123,012,826	126,696,198	130,564,806
Grant Income	4,345,350	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246
Head Start Revenue	2,100,000	1,100,000	-	-	-	-
Interest Income	562,469	500,000	1,400,000	1,400,000	1,400,000	1,400,000
Other Income	417,824	200,000	163,933	200,000	200,000	200,000
Cash Balances Brought Forward	-	10,281,153	10,486,041	11,436,456	13,087,781	12,061,918
Total	116,409,063	132,250,852	136,646,940	139,404,528	144,739,225	147,581,970

Expenditures	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022
Personnel	11,352,280	12,625,087	13,148,867	13,644,980	14,141,094	14,637,207
Travel	212,599	235,635	223,135	223,135	223,135	223,135
Building Space	551,222	657,674	687,676	708,306	729,555	751,442
Communications	67,527	66,999	72,600	72,600	72,600	72,600
Printing & Supplies	116,937	202,051	197,851	197,851	197,851	197,851
Other Expenses	1,578,374	1,481,396	1,513,756	1,513,756	1,513,756	1,513,756
Capital Expenses	221,623	262,500	100,000	100,000	100,000	100,000
Non-Operating Expenses	1,531,680	3,184,838	3,321,921	3,321,921	3,321,921	3,321,921
Children's Programs and Initiatives	98,148,862	108,361,465	109,861,465	112,031,465	116,701,465	118,871,465
Children's Programs and Initiatives Cost Drivers	-	-	1,300,000	1,300,000	1,300,000	1,300,000
Policy Briefs	-	-	870,000	870,000	870,000	870,000
Contingency	-	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	-	4,673,207	4,849,669	4,920,513	5,067,848	5,222,592
Total	113,781,104	132,250,852	136,646,940	139,404,528	144,739,225	147,581,970

Items included in projection:	Promotional increases in salaries (.5%)
Added 10% health insurance increase	Programs based on projection plus cost drivers of 3% salary increase and 10% health insurance increase
Merit increases in salaries (3%)	Decrease in property taxes by \$4m beginning 19/20

* based on actual numbers
 **Based on Trim Packet approved by Council

CSC Forecast reducing millage rate 3% in 18/19 and 19/20, 2% in 20/21, 1% in 21/22 and 0% in 22/23

Tax base increases 5.84% in 18/19, 6.6% in 19/20, 5% 20/21, 4% in 21/22 and 22/23

Under expenditure rate is projected at 7%

Targeted fund balance is 27.5% of the total budget

Scenario 1 - Millage 3% reduction in 18/19 and 19/20

If homestead exemption amendment passes in November 2018, CSC impact per year is \$4M

	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	27.5% of Budget	
2016/17 *	165,150,014,583	0.6833	108,983,420	7,425,643	0	116,409,063	50,362,524	32,012,492	
2017/18	177,260,171,007	0.6590	116,814,453	5,155,246	10,281,153	132,250,852	49,338,931	36,368,984	
2018/19	187,609,455,046	0.6392	119,919,964	4,931,083	12,794,059	137,645,106	46,180,029	37,852,404	\$ 8,327,625
2019/20	199,991,679,079	0.6200	119,999,641	4,643,125	15,692,270	140,335,036	40,311,212	38,592,135	\$ 1,719,077
2020/21	209,991,263,033	0.6076	123,595,630	4,679,489	17,391,119	145,666,238	33,116,729	40,058,216	\$ (6,941,486)
2021/22	218,390,913,554	0.6015	127,372,461	4,702,182	16,430,669	148,505,312	27,081,432	40,838,961	\$ (13,757,529)
2022/23	227,126,550,096	0.6015	132,627,360	4,780,430	13,996,376	151,404,166	23,683,348	41,636,146	\$ (17,952,798)

Revenues	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Ad valorem Taxes	108,983,420	116,814,453	119,919,964	119,999,641	123,595,630	127,372,461	132,627,360
Grant Income	4,345,350	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246
Head Start Revenue	2,100,000	1,100,000	-	-	-	-	-
Interest Income	562,469	500,000	1,400,000	1,087,879	1,124,243	1,146,936	1,225,184
Other Income	417,824	200,000	175,837	200,000	200,000	200,000	200,000
Cash Balances Brought Forward	-	10,281,153	12,794,059	15,692,270	17,391,119	16,430,669	13,996,376
Total	116,409,063	132,250,852	137,645,106	140,335,036	145,666,238	148,505,312	151,404,166

Expenditures	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Personnel	11,352,280	12,625,087	13,225,664	13,721,777	14,217,891	14,714,004	15,210,118
Travel	212,599	235,635	223,135	223,135	223,135	223,135	223,135
Building Space	551,222	657,674	687,676	708,306	729,555	751,442	773,985
Communications	67,527	66,999	72,600	72,600	72,600	72,600	72,600
Printing & Supplies	116,937	202,051	197,851	197,851	197,851	197,851	197,851
Other Expenses	1,578,374	1,481,396	1,405,757	1,405,757	1,405,757	1,405,757	1,405,757
Capital Expenses	221,623	262,500	100,000	100,000	100,000	100,000	100,000
Non-Operating Expenses	1,531,680	3,184,838	3,239,159	3,239,159	3,239,159	3,239,159	3,239,159
Children's Programs and Initiatives	98,148,862	108,361,465	111,026,465	113,196,465	117,866,465	120,036,465	122,206,465
Children's Programs and Initiatives Cost Drivers	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Policy Briefs	-	-	870,000	870,000	870,000	870,000	870,000
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	-	4,673,207	4,796,799	4,799,986	4,943,825	5,094,898	5,305,096
Total	113,781,104	132,250,852	137,645,106	140,335,036	145,666,238	148,505,312	151,404,166

Items included in projection:	Promotional increases in salaries (.5%)
Added 10% health insurance increase	Programs based on projection plus cost drivers of 3% salary increase and 10% health insurance increase
Merit increases in salaries (3%)	Decrease in property taxes by \$4m beginning 19/20

* based on actual numbers

**Based on Trim Packet approved by Council

CSC Forecast reducing millage rate 2.5% in 18/19, 0% IN 19/20, 2% in 20/21, 1% in 21/22 and 0% in 22/23

Scenario 2 - Millage 2.5% reduction in 18/19 and NO REDUCTION in 19/20

Tax base increases 5.84% in 18/19, 6.6% in 19/20, 5% 20/21, 4% in 21/22 and 22/23

Under expenditure rate is projected at 7%

Targeted fund balance is 27.5% of the total budget

If homestead exemption amendment passes in November 2018, CSC impact per year is \$4M

	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	27.5% of Budget
2016/17 *	165,150,014,583	0.6833	108,983,420	7,425,643	0	116,409,063	50,362,524	32,012,492
2017/18	177,260,171,007	0.6590	116,814,453	5,155,246	10,281,153	132,250,852	49,338,931	36,368,984
2018/19	187,609,455,046	0.6425	120,543,765	4,931,083	12,195,210	137,670,058	46,780,625	37,859,266
2019/20	199,991,679,079	0.6425	124,499,654	4,810,210	11,205,173	140,515,037	45,411,504	38,641,635
2020/21	209,991,263,033	0.6297	128,226,144	4,772,702	12,852,613	145,851,459	42,768,493	40,109,151
2021/22	218,390,913,554	0.6234	132,140,037	4,798,349	11,757,628	148,696,014	41,419,586	40,891,404
2022/23	227,126,550,096	0.6234	137,585,639	4,881,422	9,135,436	151,602,497	42,896,325	41,690,687

\$ 8,921,359
 \$ 6,769,869
 \$ 2,659,342
 \$ 528,182
 \$ 1,205,638

Revenues	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Ad valorem Taxes	108,983,420	116,814,453	120,543,765	124,499,654	128,226,144	132,140,037	137,585,639
Grant Income	4,345,350	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246
Head Start Revenue	2,100,000	1,100,000	-	-	-	-	-
Interest Income	562,469	500,000	1,400,000	1,254,964	1,217,456	1,243,103	1,326,176
Other Income	417,824	200,000	175,837	200,000	200,000	200,000	200,000
Cash Balances Brought Forward	-	10,281,153	12,195,210	11,205,173	12,852,613	11,757,628	9,135,436
Total	116,409,063	132,250,852	137,670,058	140,515,037	145,851,459	148,696,014	151,602,497

Expenditures	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Personnel	11,352,280	12,625,087	13,225,664	13,721,777	14,217,891	14,714,004	15,210,118
Travel	212,599	235,635	223,135	223,135	223,135	223,135	223,135
Building Space	551,222	657,674	687,676	708,306	729,555	751,442	773,985
Communications	67,527	66,999	72,600	72,600	72,600	72,600	72,600
Printing & Supplies	116,937	202,051	197,851	197,851	197,851	197,851	197,851
Other Expenses	1,578,374	1,481,396	1,405,757	1,405,757	1,405,757	1,405,757	1,405,757
Capital Expenses	221,623	262,500	100,000	100,000	100,000	100,000	100,000
Non-Operating Expenses	1,531,680	3,184,838	3,239,159	3,239,159	3,239,159	3,239,159	3,239,159
Children's Programs and Initiatives	98,148,862	108,361,465	111,026,465	113,196,465	117,866,465	120,036,465	122,206,465
Children's Programs and Initiatives Cost Drivers	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Policy Briefs	-	-	870,000	870,000	870,000	870,000	870,000
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	-	4,673,207	4,821,751	4,979,986	5,129,046	5,285,600	5,503,428
Total	113,781,104	132,250,852	137,670,058	140,515,037	145,851,459	148,696,014	151,602,497

Items included in projection:	Promotional increases in salaries (.5%)
Added 10% health insurance increase	Programs based on projection plus cost drivers of 3% salary increase and 10% health insurance increase
Merit increases in salaries (3%)	Decrease in property taxes by \$4m beginning 19/20

CSC Forecast reducing millage rate 3% in 18/19, 0% in 19/20, 1.5% in 20/21, 1% in 21/22 and 0% in 22/23

Tax base increases 5.84% in 18/19, 6.6% in 19/20, 5% 20/21, 4% in 21/22 and 22/23

Under expenditure rate is projected at 7%

Targeted fund balance is 27.5% of the total budget

Scenario 3 - Millage 3% reduction in 18/19, NO REDUCTION in 19/20

If homestead exemption amendment passes in November 2018, CSC impact per year is \$4M

	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	27.5% of Budget	
2016/17 *	165,150,014,583	0.6833	108,983,420	7,425,643	0	116,409,063	50,362,524	32,012,492	
2017/18	177,260,171,007	0.6590	116,814,453	5,155,246	10,281,153	132,250,852	49,338,931	36,368,984	
2018/19	187,609,455,046	0.6392	119,919,964	4,931,083	12,794,059	137,645,106	46,180,029	37,852,404	\$ 8,327,625
2019/20	199,991,679,079	0.6392	123,834,681	4,796,742	11,857,014	140,488,438	44,157,206	38,634,320	\$ 5,522,885
2020/21	209,991,263,033	0.6296	128,213,019	4,785,613	12,852,302	145,850,934	41,514,469	40,109,007	\$ 1,405,462
2021/22	218,390,913,554	0.6233	132,126,524	4,798,198	11,770,752	148,695,474	40,152,400	40,891,255	\$ (738,855)
2022/23	227,126,550,096	0.6233	137,571,585	4,881,247	9,149,100	151,601,933	41,615,436	41,690,532	\$ (75,096)

Revenues	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Ad valorem Taxes	108,983,420	116,814,453	119,919,964	123,834,681	128,213,019	132,126,524	137,571,585
Grant Income	4,345,350	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246	3,355,246
Head Start Revenue	2,100,000	1,100,000	-	-	-	-	-
Interest Income	562,469	500,000	1,400,000	1,241,496	1,230,367	1,242,952	1,326,001
Other Income	417,824	200,000	175,837	200,000	200,000	200,000	200,000
Cash Balances Brought Forward	-	10,281,153	12,794,059	11,857,014	12,852,302	11,770,752	9,149,100
Total	116,409,063	132,250,852	137,645,106	140,488,438	145,850,934	148,695,474	151,601,933

Expenditures	FY 2016/2017*	FY 2017/2018 **	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Personnel	11,352,280	12,625,087	13,225,664	13,721,777	14,217,891	14,714,004	15,210,118
Travel	212,599	235,635	223,135	223,135	223,135	223,135	223,135
Building Space	551,222	657,674	687,676	708,306	729,555	751,442	773,985
Communications	67,527	66,999	72,600	72,600	72,600	72,600	72,600
Printing & Supplies	116,937	202,051	197,851	197,851	197,851	197,851	197,851
Other Expenses	1,578,374	1,481,396	1,405,757	1,405,757	1,405,757	1,405,757	1,405,757
Capital Expenses	221,623	262,500	100,000	100,000	100,000	100,000	100,000
Non-Operating Expenses	1,531,680	3,184,838	3,239,159	3,239,159	3,239,159	3,239,159	3,239,159
Children's Programs and Initiatives	98,148,862	108,361,465	111,026,465	113,196,465	117,866,465	120,036,465	122,206,465
Children's Programs and Initiatives Cost Drivers	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Policy Briefs	-	-	870,000	870,000	870,000	870,000	870,000
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	-	4,673,207	4,796,799	4,953,387	5,128,521	5,285,061	5,502,863
Total	113,781,104	132,250,852	137,645,106	140,488,438	145,850,934	148,695,474	151,601,933

Items included in projection:	Promotional increases in salaries (.5%)
Added 10% health insurance increase	Programs based on projection plus cost drivers of 3% salary increase and 10% health insurance increase
Merit increases in salaries (3%)	Decrease in property taxes by \$4m beginning 19/20

* based on actual numbers

**Based on Trim Packet approved by Council