

Finance Committee Meeting

Thursday, April 27, 2017, 2:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

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

CSC Staff:

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

Agenda Items:

- 1 Minutes March 31, 2017
- 2 March 31, 2017 Financial Statements
- 3 CSC Budget Forecast 2017-2018 through 2021-2022
- 4 CSC Proposed 2017-2018 Operating Budget
- 5 Presentation by PFM
- 6 Other
- 7 Adjournment

Discussion Items:

- 1 Finance Committee Members
- 2 Budget Direction

Next Meeting: June 22, 2017

Finance Committee Meeting

Thursday, March 30, 2017, 3:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

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

CSC Staff:

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

Agenda Items:

- 1 Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016 (original to be hand-delivered at meeting and final draft to be emailed under a separate cover), **Approved unanimously**
- 2 Forecast/Budget for the Fiscal Year Ended September 30, 2018, **There were concerns regarding the unknown. The consensus was for staff to reduce the millage while spending more on programs where needed in the community. An updated forecast was recommended for the April meeting.**
- 3 February 23, 2017 Minutes, **Approved unanimously**
- 4 February 28, 2017 Financial Statements, **Approved unanimously**
- 5 Report to Council summary
- 6 Adjournment

Discussion Items:

- 1 Finance Committee Members, **tabled to next meeting**

AGENDA ITEM: 2

**TITLE: Financial Statements – March 31, 2017
(Unaudited)**

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

SUMMARY:

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the six months ended March 31, 2017. The audit of the Council for the fiscal year ended September 30, 2016 has been completed and the applicable figures represent audited numbers.

Balance Sheet:

As of March 31, 2017 the Council had \$99,658,971 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$59,023,022 was held in a public funds money market account, and \$300,000 was held in the Morgan Stanley Institutional Government Advisory Fund #8342. The remainder of the funds were on deposit in the Council’s operating accounts.

The Capital Assets and the Investment in Capital Assets for \$18,952,794 represent the costs associated with furniture and fixtures, equipment, and building costs and have been updated for fiscal year 16-17 after completion of the audit.

Statement of Revenue and Expenses:

The budgeted expenditure rate at March 31, 2017 is 50%. The estimated expenditure rate for Children’s Programs at March 31, 2017 is 41.36%

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the March 31, 2017 Financial Statements as submitted.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i><u>Prevention Partnership for Children, Inc.</u></i>	
<u>Assets</u>			
Cash & Investments	\$ 99,647,457	\$ 11,514	\$ 99,658,971
Accounts Receivable	2,376,485	-	2,376,485
Advances to Agencies	4,229,992	-	4,229,992
Prepaid Expenses	240,685	-	240,685
Due From - General Fund	-	161,434	161,434
Capital Assets	18,952,794	-	18,952,794
	<hr/>	<hr/>	<hr/>
Total Assets	<u>125,447,413</u>	<u>172,948</u>	<u>125,620,361</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	8,006,325	164,957	8,171,282
Deferred Revenue	166,646	-	166,646
Accounts Payable	247,123	7,991	255,114
Due to - Special Revenue Fund	161,434	-	161,434
Total Liabilities	<u>8,581,528</u>	<u>172,948</u>	<u>8,754,476</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	240,685	-	240,685
Assigned:			
Reserved in accordance with fund balance policy	34,496,527	-	34,496,527
Unassigned:	63,175,879	-	63,175,879
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>97,913,091</u>	<u>-</u>	<u>97,913,091</u>
Investment in Capital Assets	<u>18,952,794</u>	<u>-</u>	<u>18,952,794</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 125,447,413</u>	<u>\$ 172,948</u>	<u>\$ 125,620,361</u>

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
	<u>Approved 2016/2017 Budget</u>	<u>Budget Through 3/31/2017</u>	<u>Actual Through 3/31/2017</u>	<u>Variance YTD</u>	<u>% YTD</u>	<u>Prevention Partnership for Children, Inc.</u>					<u>Approved 2016/2017 Budget</u>	<u>Budget Through 3/31/2017</u>	<u>Actual Through 3/31/2017</u>	<u>Variance YTD</u>	<u>% YTD</u>
						<u>Approved 2016/2017 Budget</u>	<u>Budget Through 3/31/2017</u>	<u>Actual Through 3/31/2017</u>	<u>Variance YTD</u>	<u>% YTD</u>					
Revenues															
Ad Valorem Property Taxes	\$ 113,092,475	\$ 99,638,619	\$ 99,638,619	\$ -	88.10%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 113,092,475	\$ 99,638,619	\$ 99,638,619	\$ -	88.10%
Interest Income	400,000	200,000	283,823	83,823	70.96%	-	-	-	-	0.00%	400,000	200,000	283,823	83,823	70.96%
Unrealized Gain or Loss	-	-	(106,920)	(106,920)	100.00%	-	-	-	-	0.00%	-	-	(106,920)	(106,920)	100.00%
Department of Health/Agency for Health Care Administration	3,094,966	1,547,483	1,615,416	67,933	52.19%	-	-	-	-	0.00%	3,094,966	1,547,483	1,615,416	67,933	52.19%
Palm Beach County Head Start Match	2,100,000	1,050,000	1,050,000	-	50.00%	-	-	-	-	0.00%	2,100,000	1,050,000	1,050,000	-	50.00%
JPB Foundation	250,000	125,000	57,789	(67,211)	23.12%	-	-	-	-	0.00%	250,000	125,000	57,789	(67,211)	23.12%
Income from Tenants	70,000	35,000	37,998	2,998	54.28%	-	-	-	-	0.00%	70,000	35,000	37,998	2,998	54.28%
Other Income	100,000	50,000	72,612	22,612	72.61%	-	-	-	-	0.00%	100,000	50,000	72,612	22,612	72.61%
Cash Carryforward	9,076,761	4,538,381	-	(4,538,381)	0.00%	-	-	-	-	0.00%	9,076,761	4,538,381	-	(4,538,381)	0.00%
Total Revenues	128,184,202	107,184,483	102,649,337	(4,535,146)	80.08%	-	-	-	-	0.00%	128,184,202	107,184,483	102,649,337	(4,535,146)	80.08%
Expenditures															
Administrative Expenditures	5,218,109	2,609,055	2,366,453	242,602	45.35%	-	-	711	(711)	100.00%	5,218,109	2,609,055	2,367,164	241,891	45.36%
Capital Expenditures	350,000	175,000	196,601	(21,601)	56.17%	-	-	-	-	0.00%	350,000	175,000	196,601	(21,601)	56.17%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,046,003	2,355,787	2,355,787	-	77.34%	-	-	-	-	0.00%	3,046,003	2,355,787	2,355,787	-	77.34%
Reserve for Uncollectible Taxes	5,654,624	-	-	-	0.00%	-	-	-	-	0.00%	5,654,624	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	101,259,343	50,629,672	42,042,241	8,587,431	41.52%	2,742,285	1,371,143	974,634	396,509	35.54%	104,001,628	52,000,814	43,016,875	8,983,939	41.36%
Support Services:															
Programmatic Support	9,413,838	4,706,919	4,534,384	172,535	48.17%	-	-	-	-	0.00%	9,413,838	4,706,919	4,534,384	172,535	48.17%
Total Children's Programs	110,673,181	55,336,591	46,576,625	8,759,965	42.08%	2,742,285	1,371,143	974,634	396,509	35.54%	113,415,466	56,707,733	47,551,259	9,156,474	41.93%
Total Expenses	125,441,917	60,476,432	51,495,466	8,980,966	41.05%	2,742,285	1,371,143	975,345	395,798	35.57%	128,184,202	61,847,575	52,470,811	9,376,764	40.93%
Excess Revenues over Expenses			51,153,871					(975,345)					50,178,526		
Other Financing Sources (Uses)															
Transfers in (out)	(2,742,285)	(1,371,143)	(975,345)	(395,798)	35.57%	2,742,285	1,371,143	975,345	395,798	35.57%	-	-	-	-	0.00%
Net Changes in Fund Balances			50,178,526					-					50,178,526		
Fund Balances															
October 1, 2016			47,734,565					-					47,734,565		
March 31, 2017			\$ 97,913,091					\$ -					\$ 97,913,091		

AGENDA ITEM: 3

TITLE: BUDGET FORECAST 2017/2018 – 2021/2022

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

SUMMARY:

Budget Assumptions:

Revenues

The millage rate will decrease 3% in 2017-2018 to .6628 (may change slightly depending on actual tax base).

The tax base will increase 6.5% (projected).

Grant income will remain comparable.

Head Start Revenue will decrease as the match from the County decreases.

Interest income and Other income will increase slightly.

Expenditures

The under expenditure rate is projected at 5%.

Health insurance is expected to increase by 10%.

Merit and Promotional increases of 3.5% are budgeted.

Children’s programs expenditures are budgeted to increase approximately \$4.4 million which includes an increase in provider staff salaries, health insurance as well as growth identified in the community.

No increase in number of budgeted CSC positions.

Fund Balance

The targeted fund balance is 27.5% of the total budget.

CSC Forecast

Tax base increases 6.5% in 17/18, 5.5% in 18/19 and 19/20 and 3.5% in 20/21 and 21/22

Under expenditure rate is projected at 5%

Targeted fund balance is 27.5% of the total budget

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	27.5% of Budget	% over fund balance policy	Reduction in millage rate
2016/17	165,509,256,071	0.6833	113,092,475	6,014,966	9,076,761	128,184,202	47,764,565	35,250,656	35%	
2017/18	176,267,357,716	0.6628	116,830,181	5,155,246	10,265,425	132,250,852	44,111,683	36,368,984	21%	3.00%
2018/19	185,962,062,390	0.6628	123,255,655	4,055,246	9,640,521	136,951,422	41,318,733	37,661,641	10%	0.00%
2019/20	196,189,975,821	0.6628	130,034,716	4,055,246	8,422,809	142,512,771	40,021,562	39,191,012	2%	0.00%
2020/21	203,056,624,975	0.6628	134,585,931	4,055,246	6,844,462	145,485,639	40,451,382	40,008,551	1%	0.00%
2021/22	210,163,606,849	0.6628	139,296,439	4,055,246	5,113,845	148,465,530	42,760,814	40,828,021	5%	0.00%

Revenues	FY 2016/2017**	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022
Ad valorem Taxes	113,092,475	116,830,181	123,255,655	130,034,716	134,585,931	139,296,439
Grant Income	3,344,966	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	400,000	500,000	500,000	500,000	500,000	500,000
Other Income	170,000	200,000	200,000	200,000	200,000	200,000
Cash Balances Brought Forward	9,076,761	10,265,425	9,640,521	8,422,809	6,844,462	5,113,845
Total	128,184,202	132,250,852	136,951,422	142,512,771	145,485,639	148,465,530

Expenditures	FY 2016/2017**	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022
Personnel	12,140,905	12,619,560	13,115,673	13,611,787	14,107,900	14,604,014
Travel	221,950	235,635	251,130	251,130	251,130	251,130
Building Space	682,000	681,997	702,457	723,531	745,237	767,594
Communications	72,600	67,000	72,600	72,600	72,600	72,600
Printing & Supplies	200,400	202,051	200,400	200,400	200,400	200,400
Other Expenses	1,314,092	1,462,599	1,371,319	1,371,319	1,371,319	1,371,319
Capital Expenses	350,000	262,500	250,000	250,000	250,000	250,000
Non-Operating Expenses	3,046,003	3,120,743	2,859,056	2,859,056	2,859,056	2,859,056
Children's Programs and Initiatives	104,001,628	106,108,560	109,753,560	116,526,560	118,799,560	121,072,560
Special Projects	-	2,317,000	2,945,000	945,000	945,000	945,000
Contingency	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	5,654,624	4,673,207	4,930,226	5,201,389	5,383,437	5,571,858
Total	128,184,202	132,250,852	136,951,421	142,512,771	145,485,639	148,465,530

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%)	Policy briefs subject to Council approval

**Based on Trim Packet approved by Council

AGENDA ITEM: 4

TITLE: Proposed 2017/2018 Annual Budget

CSC STAFF: Jennifer Diehl, Chief Financial Officer

SUMMARY:

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

Ad valorem tax revenue to support the proposed budget amounts to \$116,830,181 which is based on a projected 6.5% 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 .6628 compared to the prior year millage rate of .6833, reflecting a net increase in revenue of 3.3%.

The proposed 2017-2018 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 \$132,250,852.

Of the total proposed \$132,250,852, Children's Programs Direct Services are budgeted for \$108,425,560 or 81.98% and Program Administrative Support is budgeted for \$9,807,203 or 7.42% for a combined total of \$118,232,763 or 89.40% of the total budget. The Children's Programs Direct Services budget reflects a 4.25% or \$4,423,932 increase from 2016/2017. This increase is attributed to supporting needed growth and newly identified community needs. The Program Administrative Support budget reflects a 4.18% or \$393,365 increase which relates proportionately to the increase in the total budget.

The proposed budget for the administrative costs of the Council is \$5,461,640 representing a 4.67% or \$243,531 increase over the 2016/2017 budget. This increase reflects the proportionate increase to the total budget. The proposed budget for capital expenses is \$262,500 for updated server infrastructure and facility improvements, representing a decrease of \$87,500.

The budget being proposed contains a projected 10% increase over the 2016/2017 health insurance premiums, a 3% total merit pool in correlation with staff performance evaluations and .5% total pool in relation to promotional increases.

RECOMMENDATION: For informational purposes only; no action required.

	<u>2016/17 APPROVED BUDGET</u>	<u>2017/18 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 113,092,475	\$ 116,830,181	\$ 3,737,706	3.30%
GRANT INCOME				
Palm Beach County Head Start Match	2,100,000	1,100,000	(1,000,000)	-47.62%
JPB Foundation	250,000	-	(250,000)	100.00%
Department of Health/Agency for Health Care Administration	3,094,966	3,355,246	260,280	8.41%
Sub-Total Grant Income	5,444,966	4,455,246	(989,720)	-18.18%
INTEREST INCOME	400,000	500,000	100,000	25.00%
INCOME FROM TENANTS	70,000	75,000	5,000	7.14%
OTHER INCOME	100,000	125,000	25,000	25.00%
CASH BALANCES BROUGHT FORWARD	9,076,761	10,265,425	1,188,664	13.10%
TOTAL	\$ 128,184,202	\$ 132,250,852	\$ 4,066,650	3.17%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 104,001,628	\$ 108,425,560	\$ 4,423,932	4.25%
Support Services	9,413,838	9,807,203	393,365	4.18%
Sub-Total Children's Programs	113,415,466	118,232,763	4,817,297	4.25%
ADMINISTRATIVE EXPENSES	5,218,109	5,461,640	243,531	4.67%
CAPITAL EXPENDITURES	350,000	262,500	(87,500)	-25.00%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	783,812	783,812	-	0.00%
Palm Beach County Tax Collector Fees	2,262,191	2,336,931	74,740	3.30%
Sub-Total	3,046,003	3,120,743	74,740	2.45%
CONTINGENCY	500,000	500,000	-	0.00%
SUB-TOTAL EXPENDITURES	122,529,578	127,577,645	5,048,067	4.12%
RESERVE FOR UNCOLLECTABLE TAX	5,654,624	4,673,207	(981,417)	-17.36%
TOTAL	\$ 128,184,202	\$ 132,250,852	\$ 4,066,650	3.17%

PROPOSED MILLAGE RATE:

0.6628

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>		<u>2016 - 2017</u>	
			<u>PREVENTION PARTNERSHIPS</u>		<u>TOTAL BUDGET</u>	
			<u>FOR CHILDREN, INC.</u>			
REVENUES						
AD VALOREM TAXES	\$ 116,830,181	90.23%	-	0.00%	\$ 116,830,181	88.34%
GRANT INCOME						
Palm Beach County Head Start Match	1,100,000	0.85%	-	0.00%	1,100,000	0.83%
JPB Foundation	-	0.00%	-	0.00%	-	0.00%
Department of Health/Agency for Health Care Administration	<u>3,355,246</u>	<u>2.59%</u>	-	0.00%	<u>3,355,246</u>	<u>2.54%</u>
Sub-Total Grant Income	<u>4,455,246</u>	<u>3.44%</u>	-	0.00%	<u>4,455,246</u>	<u>3.37%</u>
INTEREST INCOME	500,000	0.39%	-	0.00%	500,000	0.38%
INCOME FROM TENANTS	75,000	0.06%	-	0.00%	75,000	0.06%
OTHER INCOME	125,000	0.10%	-	0.00%	125,000	0.09%
TRANSFER IN (OUT)	<u>(2,772,743)</u>	<u>-2.14%</u>	<u>2,772,743</u>	100.00%	-	<u>0.00%</u>
CASH BALANCES BROUGHT FORWARD	<u>10,265,425</u>	<u>7.93%</u>	-	0.00%	<u>10,265,425</u>	<u>7.76%</u>
TOTAL	<u>\$ 129,478,109</u>	<u>100.00%</u>	<u>\$ 2,772,743</u>	<u>100.00%</u>	<u>\$ 132,250,852</u>	<u>100.00%</u>
EXPENDITURES						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 103,647,817	80.05%	\$ 2,772,743	100.00%	\$ 106,420,560	80.47%
Special Funds and Other	95,000	0.07%	-	0.00%	95,000	0.07%
Public Education/Awareness	1,910,000	1.48%	-	0.00%	1,910,000	1.44%
Sub-total Direct Services	105,652,817	81.60%	2,772,743	100.00%	108,425,560	81.98%
Support Services						
Programmatic Support Expenses	9,807,203	7.57%	-	0.00%	9,807,203	7.42%
Sub-total Support Services	<u>9,807,203</u>	<u>7.57%</u>	<u>-</u>	<u>0.00%</u>	<u>9,807,203</u>	<u>7.42%</u>
Sub-Total Children's Programs	115,460,020	89.17%	2,772,743	100.00%	118,232,763	89.40%
ADMINISTRATIVE EXPENSES	5,461,640	4.22%	-	0.00%	5,461,640	4.13%
CAPITAL EXPENDITURES	262,500	0.20%	-	0.00%	262,500	0.20%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	783,812	0.61%	-	0.00%	783,812	0.59%
Palm Beach County Tax Collector Fees	<u>2,336,931</u>	<u>1.80%</u>	-	0.00%	<u>2,336,931</u>	<u>1.77%</u>
Sub-Total Non Operating Expenses	<u>3,120,743</u>	<u>2.41%</u>	-	0.00%	<u>3,120,743</u>	<u>2.36%</u>
CONTINGENCY	<u>500,000</u>	<u>0.39%</u>	-	0.00%	<u>500,000</u>	<u>0.38%</u>
SUB-TOTAL EXPENDITURES	124,804,902	96.39%	2,772,743	100.00%	127,577,645	96.47%
RESERVE FOR UNCOLLECTABLE TAX	<u>4,673,207</u>	<u>3.61%</u>	-	0.00%	<u>4,673,207</u>	<u>3.53%</u>
TOTAL	<u>\$ 129,478,109</u>	<u>100.00%</u>	<u>\$ 2,772,743</u>	<u>100.00%</u>	<u>\$ 132,250,852</u>	<u>100.00%</u>
MILLAGE RATE:	0.6628					

	Executive	Talent &	Finance	Program	Communications	Information	TOTALS
Expenses	Administration	Operations		Services		Management	
SALARIES	424,588	1,035,041	1,115,207	3,624,661	647,293	1,347,339	8,194,130
							-
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
							-
FRINGE BENEFITS							-
A. FICA	20,697	64,172	69,142	223,077	38,689	81,577	497,354
B. FICA MED	6,157	15,008	16,170	52,558	9,386	19,536	118,815
C. FL Unemployment	637	1,553	1,673	5,437	971	2,021	12,292
D. Workers' Comp	722	1,761	1,896	6,162	1,100	2,290	13,931
E. Health Plan	66,257	282,908	304,558	1,211,556	172,102	385,434	2,422,815
F. Retirement	60,233	144,867	149,644	415,725	70,572	150,208	991,250
G. Long Term Disability	1,203	3,725	4,026	12,998	2,168	4,871	28,991
H. Tuition Reimbursement		65,000	-	-	-	-	65,000
J. Retirement Health Savings	3,200	13,868	16,001	53,338	8,534	16,001	110,943
K. Short Term Disability	980	3,087	3,352	10,986	1,795	4,039	24,239
L. Other Fringe Benefits	3,600	15,600	18,000	60,000	9,600	18,000	124,800
Total Fringe Benefits	163,687	611,549	584,462	2,051,837	314,917	683,978	4,410,430
TOTAL PERSONNEL	588,275	1,646,590	1,699,669	5,691,499	962,210	2,031,317	12,619,560
TRAVEL							
A. Local Mileage	100	400	3,185	5,250	4,000	500	13,435
B. Staff Development / CSC Business-Related	10,000	33,000	27,200	100,000	25,000	25,000	220,200
C. Council Member Travel	2,000	-	-	-	-	-	2,000
TOTAL TRAVEL	12,100	33,400	30,385	105,250	29,000	25,500	235,635
BUILDING SPACE							
A. Maintenance & Security	11,538	50,000	57,693	192,308	30,769	57,692	400,000
B. Utilities	4,615	20,000	23,077	76,922	12,308	23,077	159,999
C. Emergency Maintenance Fund	1,442	6,250	7,211	24,038	3,846	7,212	49,999
D. Quantum Park Fees and Assessments	346	1,499	1,731	5,769	923	1,731	11,999
E. Non Ad Valorem Assessments	1,731	7,500	8,653	28,847	4,615	8,654	60,000
TOTAL BUILDING SPACE	19,672	85,249	98,365	327,884	52,461	98,366	681,997
COMMUNICATIONS							
A. Voice/Data	1,644	7,124	8,222	27,404	4,385	8,221	57,000
B. Postage	-	-	2,000	-	-	-	2,000
2016 Tax Notices			8,000				8,000
Total Postage			10,000				10,000
TOTAL COMMUNICATIONS	1,644	7,124	18,222	27,404	4,385	8,221	67,000
PRINTING & SUPPLIES							
A. Supplies	1,154	5,001	5,769	19,231	3,077	5,769	40,001
B. Meeting Supplies	1,400	5,200	700	5,000	750	400	13,450
C. Computer Supplies						20,000	20,000
D. Printing	100	250	550	1,000	75,000	1,700	78,600
E. Photography/Video					50,000		50,000
TOTAL PRINTING & SUPPLIES	2,654	10,451	7,019	25,231	128,827	27,869	202,051

	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
Expenses							
OTHER EXPENSES							
A. Purchase of Service							
1. Legal	40,000	-	-	-	-	-	40,000
2. Audit		-	60,400	-	-	-	60,400
3. Consulting	10,000	30,000	-	150,000	25,000	50,000	265,000
4. Inspector General Fee		58,095	58,096	-	-	-	116,191
B. Insurance	220,000	-	-	-	-	-	220,000
C. Staff Development - In House		65,000	-	-	-	-	65,000
D. Dues	130,000	7,500	3,250	3,500	3,000	3,000	150,250
E. Background Checks/Fingerprinting		2,000	-	-	-	-	2,000
F. Subscrip/Publications	3,000	17,500	1,259	2,000	8,000	500	32,259
G. Public Notices & Employment Ads		25,000	-	-	-	-	25,000
H. Copier Equipment	1,442	6,250	7,211	24,038	3,846	7,212	49,999
I. Computer Maint & Support		-	-	-	-	300,000	300,000
J. Communications Technology Support	-	-	-	-	125,000	-	125,000
K. Banking Services	-	-	6,500	-	-	-	6,500
L. Service Awards & Recognition		5,000	-	-	-	-	5,000
TOTAL OTHER EXPENSES	404,442	216,345	136,716	179,538	164,846	360,712	1,462,599
TOTAL ADMINISTRATIVE EXPENSES	1,028,787	1,999,159	1,990,376	6,356,806	1,341,729	2,551,985	15,268,842
CAPITAL EXPENSES							
A. Computer Hardware	-	-	-	-	-	200,000	200,000
C. Computer Software	-	-	-	-	-	62,500	62,500
TOTAL CAPITAL EXPENSES		-	-	-	-	262,500	262,500
NON OPERATING EXPENSES							
A. Property Appraiser Fee	783,812	-	-	-	-	-	783,812
B. Tax Collector Fee	2,336,931	-	-	-	-	-	2,336,931
TOTAL NON-OPERATING EXPENSES	3,120,743						3,120,743
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	103,647,817	-	-	103,647,817
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	-	1,910,000	-	1,910,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAM	-	-	-	103,647,817	2,005,000	-	105,652,817
CONTINGENCY	500,000						500,000
RESERVE FOR UNCOLLECTABLE TAX	4,673,207						4,673,207
TOTAL BUDGET	9,322,737	1,999,159	1,990,376	110,004,623	3,346,729	2,814,485	129,478,109
Budget: Administrative Expenses	1,028,787	1,754,788	837,973	363,741	669,346	807,004	5,461,640
Budget: Capital Expenses		-	-	-	-	262,500	262,500
Budget: Children's Program: Direct Services		-	-	103,647,817	2,005,000	-	105,652,817
Budget: Children's Program: Support Services		244,371	1,152,403	5,993,064	672,383	1,744,981	9,807,203
Budget: Non-Operating Expenses	8,293,950	-	-	-	-	-	8,293,950
TOTAL BUDGET	9,322,737	1,999,159	1,990,376	110,004,623	3,346,729	2,814,485	129,478,109

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 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 and Information Technology.

2. Personnel

- The proposed 2017/18 fiscal year budget contains funding for 104 approved positions, a 3% merit pool in correlation with staff performance evaluations and .5% for promotional increases.
- Fringe benefits are calculated at existing rates for FICA, Medicare and Florida Unemployment.
- Retirement is calculated at 10% of eligible salaries for employees hired on or after January 1, 2012. This percentage is based on the maximum exposure if a match is made depending on the employee's contribution. Prior to a hiring date of January 1, 2012, retirement is calculated at 13% of eligible salaries for employees employed ten years or

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

- Workers' Compensation is calculated based on the formula supplied by CSC's insurance broker.
- Based on input from CSC's insurance broker and historical trends, health plan premiums have been projected at 10% over 2016/17 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 2017/18 fiscal year.
- Retirement Health Savings reflects the estimated amount needed for this benefit.
- Other Fringe Benefits provides for enhancements or additions to the current benefit package offered by CSC and supports health related items.

3. Travel

- The local mileage reimbursement rate is projected at \$0.535 per mile based on the Internal Revenue Service standard mileage rate for 2017. The mileage traveled for each position has been projected based on historical data.
- Staff Development / CSC business-related travel - Staff development reflects the expenses associated with CSC staff achieving their development plans. CSC business-related travel reflects the costs associated with CSC staff traveling on CSC related business. An amount has also been budgeted to provide for the costs of staff attendance at business meetings taking place outside of Palm Beach County.
- Council member travel is included to cover the costs relating to travel by Council members on CSC related business.

4. Building Space

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

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 2017 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.

- 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 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 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.
- 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 and Investment Advisory services cover the costs of bank, credit card and investment advisory fees.
- Service Awards and Recognition cover the costs associated with awards and recognition to individuals and/or groups for their accomplishments and contributions to the work of the Children's Services Council.

8. Capital Expenditures

Capital Expenditures generally reflect the costs associated with the purchase or upgrade of furniture and equipment items and the costs of replacing and increasing CSC's information and data processing technology. The costs associated with these items are \$262,500 for computer hardware and updated server infrastructure.

9. Non-operating expenses

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

10. Allocations

The total proposed allocation to children's programs and initiatives is \$108,425,560.

11. Contingencies

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

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 3.3% 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 .6628 compared to .6833 in the prior year.

14. Grant Income

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

- Federal and State dollars through the Department of Health and Agency of Health Care Administration through the Healthy Start Coalition to support CSC's operation of several Healthy Beginnings programs
- County match dollars through Palm Beach County to support the Head Start program.

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.

17. Cash balances brought forward

Use of fund balance does not exceed 27.5% of the total budget in accordance with CSC's fund balance policy.