

Children's Services Council

Finance Committee Meeting

Thursday, April 28, 2016, 3:30 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 Dumar, 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, 2016
- 2 March 31, 2016 Financial Statements
- 3 CSC Budget Forecast 2016-2017 through 2020-2021
- 4 CSC Proposed 2016-2017 Operating Budget Detail
- 5 Other
- 6 Adjournment

Next Meeting: May 26, 2016

Finance Committee Meeting

Thursday, March 31, 2016, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Present**
Thomas Bean, CSC Finance Committee Vice-chair, **Arrived 4:20**
Greg Langowski, Chair Children's Services Council, **Present**
Tom Weber, Vice Chair Children's Services Council, **Present**
Paul Dumars, Director Financial Services, Solid Waste Authority, **Not Present**
John Marino, Volunteer, **Present**

CSC Staff:

Lisa Williams-Taylor, CEO, **Present**
Bill Cosgrove, CFO, **Present**
Jen Diehl, Controller, **Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**
Tanya Palmer, Chief Program Officer, **Present**

Agenda Items:

- 1 Minutes February 25, 2016, **Unanimously Approved**
- 2 Budget Workshop Summary (March 10, 2016), **Summary provided**
- 3 February 29, 2016 Financial Statements, **Unanimously Approved**
- 4 Budget Scenario 2016-2017, **Unanimously decided to update scenario with .6865 millage which provides the opportunity for sustained children's programs, needed growth and newly identified community needs**
- 5 Investment Policy Review, **Discussed term of Investment Advisor's contract and decided to maintain current investment policy**
- 6 Procurement Policy Update, **Unanimously Approved recommendation to Council of \$5,000 "no quote" spending threshold**
- 7 Fund Balance Policy Amendment, **Unanimously Approved floor of 27.5% of the total budget**
- 8 Other
- 9 Adjournment

AGENDA ITEM: 2

**TITLE: Financial Statements – March 31, 2016
(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, 2016. The audit of the Council for the fiscal year ended September 30, 2015 has been completed and the applicable figures represent audited numbers.

Balance Sheet:

As of March 31, 2016 the Council had \$98,035,582 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$63,200,779 was held in a public funds money market account, and \$150,853 was held in the Morgan Stanley Institutional Liquidity Prime Advisory Fund #8341. The remainder of the funds was on deposit in the Council’s operating accounts.

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

Statement of Revenue and Expenses:

The budgeted expenditure rate at March 31, 2016 is 50%. The estimated expenditure rate for Children’s Programs at March 31, 2016 is 44.05%

RECOMMENDATION:

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

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

March 31, 2016

	<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	\$ 98,022,650	\$ 12,932	\$ 98,035,582
Accounts Receivable	1,777,653	-	1,777,653
Interest Receivable	28,927	-	28,927
Advances to Agencies	4,778,413	-	4,778,413
Prepaid Expenses	315,077	-	315,077
Due From - General Fund	-	285,575	285,575
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>124,477,118</u>	<u>298,507</u>	<u>124,775,625</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	9,894,826	298,507	10,193,333
Deferred Revenue	250,000	-	250,000
Accounts Payable	225,582	-	225,582
Due to - Special Revenue Fund	285,575	-	285,575
Total Liabilities	<hr/> <u>10,655,983</u>	<hr/> <u>298,507</u>	<hr/> <u>10,954,490</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	315,077	-	315,077
Assigned:			
Reserved in accordance with fund balance policy	33,491,795	-	33,491,795
Unassigned:	60,459,865	-	60,459,865
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>94,266,737</u>	<u>-</u>	<u>94,266,737</u>
Investment in Capital Assets	<hr/> <u>19,554,398</u>	<hr/> <u>-</u>	<hr/> <u>19,554,398</u>
Total Liabilities and Fund Balance	<hr/> <u>\$ 124,477,118</u>	<hr/> <u>\$ 298,507</u>	<hr/> <u>\$ 124,775,625</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, 2016**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>
	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>			<u>2015/2016</u>	<u>Through</u>	<u>Through</u>			<u>2015/2016</u>	<u>Through</u>	<u>Through</u>		
	<u>Budget</u>	<u>3/31/2016</u>	<u>3/31/2016</u>	<u>YTD</u>	<u>YTD</u>	<u>Budget</u>	<u>3/31/2016</u>	<u>3/31/2016</u>	<u>YTD</u>	<u>YTD</u>	<u>Budget</u>	<u>3/31/2016</u>	<u>3/31/2016</u>	<u>YTD</u>	<u>YTD</u>
Revenues															
Ad Valorem Property Taxes	\$ 102,176,959	\$ 90,309,638	\$ 90,309,638	\$ -	88.39%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 102,176,959	\$ 90,309,638	\$ 90,309,638	\$ -	88.39%
Interest Income	300,000	150,000	258,669	108,669	86.22%	-	-	-	-	0.00%	300,000	150,000	258,669	108,669	86.22%
Unrealized Gain or Loss	-	-	66,878	66,878	100.00%	-	-	-	-	0.00%	-	-	66,878	66,878	100.00%
Department of Health/Agency for Health Care Administration	3,630,806	1,815,403	2,631,547	816,144	72.48%	-	-	-	-	0.00%	3,630,806	1,815,403	2,631,547	816,144	72.48%
Palm Beach County Head Start Match	3,100,000	1,550,000	1,550,000	-	50.00%	-	-	-	-	0.00%	3,100,000	1,550,000	1,550,000	-	50.00%
JPB Foundation	250,000	-	-	-	0.00%	-	-	-	-	0.00%	250,000	-	-	-	0.00%
Income from Tenants	70,000	35,000	37,685	2,685	53.84%	-	-	-	-	0.00%	70,000	35,000	37,685	2,685	53.84%
Other Income	100,000	50,000	121,840	71,840	121.84%	-	-	-	-	0.00%	100,000	50,000	121,840	71,840	121.84%
Cash Carryforward	14,843,281	-	-	-	0.00%	-	-	-	-	0.00%	14,843,281	-	-	-	0.00%
Total Revenues	124,471,046	93,910,041	94,976,257	1,066,216	76.30%	-	-	-	-	0.00%	124,471,046	93,910,041	94,976,257	1,066,216	76.30%
Expenditures															
Administrative Expenditures	5,342,146	2,671,073	2,573,532	97,541	48.17%	-	-	752	(752)	100.00%	5,342,146	2,671,073	2,574,284	96,789	48.19%
Capital Expenditures	250,000	125,000	128,360	(3,360)	51.34%	-	-	-	-	0.00%	250,000	125,000	128,360	(3,360)	51.34%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	2,801,919	2,187,463	2,187,463	-	78.07%	-	-	-	-	0.00%	2,801,919	2,187,463	2,187,463	-	78.07%
Reserve for Uncollectible Taxes	5,108,848	-	-	-	0.00%	-	-	-	-	0.00%	5,108,848	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	98,014,091	49,007,046	42,897,695	6,109,351	43.77%	2,682,701	1,341,351	1,152,346	189,005	42.95%	100,696,792	50,348,396	44,050,041	6,298,355	43.75%
Support Services:															
Programmatic Support	9,771,341	4,885,671	4,613,018	272,652	47.21%	-	-	-	-	0.00%	9,771,341	4,885,671	4,613,018	272,652	47.21%
Total Children's Programs	107,785,432	53,892,716	47,510,713	6,382,003	44.08%	2,682,701	1,341,351	1,152,346	189,005	42.95%	110,468,133	55,234,067	48,663,059	6,571,007	44.05%
Total Expenses	121,788,345	58,876,252	52,400,068	6,476,184	43.03%	2,682,701	1,341,351	1,153,098	188,253	42.98%	124,471,046	60,217,603	53,553,166	6,664,437	43.02%
Excess Revenues over Expenses			42,576,189					(1,153,098)					41,423,091		
Other Financing Sources (Uses)															
Transfers in (out)	(2,682,701)	(1,341,351)	(1,153,098)	(188,253)	42.98%	2,682,701	670,675	1,153,098	(482,423)	42.98%	-	-	-	-	0.00%
Net Changes in Fund Balances			41,423,091										41,423,091		
Fund Balances															
October 1, 2015			52,843,646					-					52,843,646		
March 31, 2016			<u>\$ 94,266,737</u>					<u>\$ -</u>					<u>\$ 94,266,737</u>		

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE

AGENDA ITEM

April 28, 2016

AGENDA ITEM: 3

TITLE: Budget Forecast 2016/17-2020/2021

CSC STAFF: Jen Diehl, Controller

SUMMARY:

In preparation for the Planning Session on April 28, 2016, an updated budget forecast is being presented for your review. This forecast is based on the discussion held at the Finance Committee meeting in March 2016.

There are assumptions that are constant for both the Expenditures and Revenues. Those assumptions are:

Expenditures

Allocations to Children's Programs and Initiatives will be at the level necessary to sustain the children's programs and support needed growth and newly identified community needs.

The budgeted number of staff will remain constant at 104.

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 10% per year.

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

Computer equipment will be replaced in 2016/17.

Revenues

The proposed millage rate for 2016/2017 will be .6865 as discussed at the Finance Committee meeting in March 2016.

Income from Palm Beach County will reduce \$1,000,000 per year until FY 2018-19 when 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 27.5% of the annual budget as provided for in the recently revised Council's fund balance policy.

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

RECOMMENDATION:

We recommend that this Forecast be used for purposes of discussing the budget, policy briefs and council interests during the budget workshop portion of the planning session and also be used to support the revenue and expenditure assumptions made in preparing the Proposed CSC 16/17 annual operating budget.

Children's Services Council of Palm Beach County
Budget Forecast 2015/2016 - 2020/2021

Tax base increases 8% in 16/17, 4% in 17/18 and 3% every year after

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
2015/16	153,028,244,853	0.6677	102,176,959	7,450,806	14,843,281	124,471,046	44,223,917	34,229,538
2016/17	165,270,504,441	0.6865	113,456,027	6,450,806	8,823,167	128,730,000	41,837,250	35,400,750
2017/18	171,881,324,619	0.7165	123,160,883	5,450,806	5,073,753	133,685,442	43,447,769	36,763,497
2018/19	177,037,764,357	0.7050	124,805,666	4,350,806	6,219,403	135,375,875	43,997,159	37,228,366
2019/20	182,348,897,288	0.6932	126,409,791	4,350,806	6,304,310	137,064,907	44,546,095	37,692,849
2020/21	187,819,364,207	0.6816	128,015,292	4,350,806	6,388,563	138,754,661	45,095,265	38,157,532

Revenues	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
Ad valorem Taxes	102,176,959	113,456,027	123,160,883	124,805,666	126,409,791	128,015,292
Grant Income	3,880,806	3,880,806	3,880,806	3,880,806	3,880,806	3,880,806
Head Start Revenue	3,100,000	2,100,000	1,100,000	-	-	-
Interest Income	300,000	300,000	300,000	300,000	300,000	300,000
Other Income	170,000	170,000	170,000	170,000	170,000	170,000
Cash Balances Brought Forward	14,843,281	8,823,167	5,073,753	6,219,403	6,304,310	6,388,563
Total	124,471,046	128,730,000	133,685,442	135,375,875	137,064,907	138,754,661

Expenditures	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
Personnel	12,227,415	12,281,098	13,001,656	13,388,776	13,775,896	14,163,017
Travel	251,130	221,950	251,130	251,130	251,130	251,130
Building Space	724,001	682,000	702,460	723,534	745,240	767,597
Communications	74,600	72,600	72,600	72,600	72,600	72,600
Printing & Supplies	229,001	200,400	200,400	200,400	200,400	200,400
Other Expenses	1,607,340	1,371,320	1,371,320	1,371,320	1,371,320	1,371,320
Capital Expenses	250,000	250,000	250,000	250,000	250,000	250,000
Non-Operating Expenses	2,801,919	2,859,056	2,859,056	2,859,056	2,859,056	2,859,056
Children's Programs and Initiatives	100,696,792	104,618,776	108,318,776	109,518,776	110,718,776	111,918,776
Contingency	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for Uncollectible Tax	5,108,848	5,672,800	6,158,044	6,240,283	6,320,490	6,400,765
Total	124,471,046	128,730,000	133,685,442	135,375,875	137,064,907	138,754,661

Items included in projection:	Promotional increases in salaries (.5%)	Capital - new computers 16/17
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	

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE
AGENDA ITEM
April 28, 2016

AGENDA ITEM: 4

TITLE: Proposed 2016/2017 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 28, 2016.

Ad valorem tax revenue to support the proposed budget amounts to \$113,456,027 which is based on a projected 8% increase in the total tax base within Palm Beach County. The proposed millage rate will be .6865 compared to the prior year millage rate of .6677.

The proposed 2016-2017 CSC Annual Budget is submitted reflecting the budget of the Children's Services Council including its special revenue fund, which is also known as Prevention Partnerships for Children, Inc. The total proposed expenditures are \$128,730,000.

Of the total proposed \$128,730,000, Children's Programs Direct Services are budgeted for \$104,618,776 or 81.27% and Program Administrative Support is budgeted for \$9,636,734 or 7.49% for a combined total of \$114,255,510 or 88.76% of the total budget. The Children's Programs Direct Services budget reflects a 3.89% or \$3,921,984 increase from 2015/2016. This increase is attributed to supporting needed growth and newly identified community needs. The Program Administrative Support budget reflects a 1.38% or \$134,607 decrease which relates to an annually revised general and administrative allocation.

The proposed budget for the administrative costs of the Council is \$5,192,634 representing a 2.8% or \$149,512 decrease over the 2015/2016 budget. This decrease reflects the annually revised general and administrative allocation as well as decreased consulting and computer maintenance expenses. The proposed budget for capital expenses is \$250,000, representing the same amount as the prior year.

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

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

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

	<u>2015/16 APPROVED BUDGET</u>	<u>2016/17 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 102,176,959	\$ 113,456,027	\$ 11,279,068	11.04%
GRANT INCOME				
Palm Beach County Head Start Match	3,100,000	2,100,000	(1,000,000)	-32.26%
JPB Foundation	250,000	250,000	-	100.00%
Department of Health/Agency for Health Care Administration	3,630,806	3,630,806	-	0.00%
Sub-Total Grant Income	<u>6,980,806</u>	<u>5,980,806</u>	<u>(1,000,000)</u>	<u>-14.32%</u>
INTEREST INCOME	300,000	300,000	-	0.00%
INCOME FROM TENANTS	70,000	70,000	-	0.00%
OTHER INCOME	100,000	100,000	-	0.00%
CASH BALANCES BROUGHT FORWARD	14,843,281	8,823,167	(6,020,114)	-40.56%
TOTAL	\$ 124,471,046	\$ 128,730,000	\$ 4,258,954	3.42%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 100,696,792	\$ 104,618,776	\$ 3,921,984	3.89%
Support Services	9,771,341	9,636,734	(134,607)	-1.38%
Sub-Total Children's Programs	<u>110,468,133</u>	<u>114,255,510</u>	<u>3,787,377</u>	<u>3.43%</u>
ADMINISTRATIVE EXPENSES	5,342,146	5,192,634	(149,512)	-2.80%
CAPITAL EXPENDITURES	250,000	250,000	-	0.00%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	772,645	772,645	-	0.00%
Palm Beach County Tax Collector Fees	2,029,274	2,086,411	57,137	2.82%
Sub-Total	<u>2,801,919</u>	<u>2,859,056</u>	<u>57,137</u>	<u>2.04%</u>
CONTINGENCY	500,000	500,000	-	0.00%
SUB-TOTAL EXPENDITURES	119,362,198	123,057,200	3,695,002	3.10%
RESERVE FOR UNCOLLECTABLE TAX	5,108,848	5,672,800	563,952	11.04%
TOTAL	\$ 124,471,046	\$ 128,730,000	\$ 4,258,954	3.42%

PROPOSED MILLAGE RATE: 0.6865

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

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>		<u>2016 - 2017</u>	
			<u>PREVENTION PARTNERSHIPS</u>		<u>TOTAL BUDGET</u>	
			<u>FOR CHILDREN, INC.</u>			
REVENUES						
AD VALOREM TAXES	\$ 113,456,027	89.98%	-	0.00%	\$ 113,456,027	88.13%
GRANT INCOME						
Palm Beach County Head Start Match	2,100,000	1.67%	-	0.00%	2,100,000	1.63%
JPB Foundation	250,000	0.20%	-	0.00%	250,000	0.19%
Department of Health/Agency for Health Care Administration	<u>3,630,806</u>	<u>2.88%</u>	<u>-</u>	<u>0.00%</u>	<u>3,630,806</u>	<u>2.82%</u>
Sub-Total Grant Income	<u>5,980,806</u>	<u>4.74%</u>	<u>-</u>	<u>0.00%</u>	<u>5,980,806</u>	<u>4.65%</u>
INTEREST INCOME	300,000	0.24%	-	0.00%	300,000	0.23%
INCOME FROM TENANTS	70,000	0.06%	-	0.00%	70,000	0.05%
OTHER INCOME	100,000	0.08%	-	0.00%	100,000	0.08%
TRANSFER IN (OUT)	<u>(2,641,626)</u>	<u>-2.10%</u>	<u>2,641,626</u>	<u>100.00%</u>	<u>-</u>	<u>0.00%</u>
CASH BALANCES BROUGHT FORWARD	<u>8,823,167</u>	<u>7.00%</u>	<u>-</u>	<u>0.00%</u>	<u>8,823,167</u>	<u>6.85%</u>
TOTAL	<u>\$ 126,088,374</u>	<u>99.94%</u>	<u>\$ 2,641,626</u>	<u>100.00%</u>	<u>\$ 128,730,000</u>	<u>100.00%</u>
EXPENDITURES						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 99,897,150	79.23%	\$ 2,641,626	100.00%	\$ 102,538,776	79.65%
Special Funds and Other	95,000	0.08%	-	0.00%	95,000	0.07%
Public Education/Awareness	1,985,000	1.57%	-	0.00%	1,985,000	1.54%
Sub-total Direct Services	101,977,150	80.88%	2,641,626	100.00%	104,618,776	81.27%
Support Services						
Programmatic Support Expenses	9,636,734	7.64%	-	0.00%	9,636,734	7.49%
Sub-total Support Services	<u>9,636,734</u>	<u>7.64%</u>	<u>-</u>	<u>0.00%</u>	<u>9,636,734</u>	<u>7.49%</u>
Sub-Total Children's Programs	111,613,884	88.52%	2,641,626	100.00%	114,255,510	88.76%
ADMINISTRATIVE EXPENSES	5,192,634	4.12%	-	0.00%	5,192,634	4.03%
CAPITAL EXPENDITURES	250,000	0.20%	-	0.00%	250,000	0.19%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	772,645	0.61%	-	0.00%	772,645	0.60%
Palm Beach County Tax Collector Fees	<u>2,086,411</u>	<u>1.65%</u>	<u>-</u>	<u>0.00%</u>	<u>2,086,411</u>	<u>1.62%</u>
Sub-Total Non Operating Expenses	2,859,056	2.27%	-	0.00%	2,859,056	2.22%
CONTINGENCY	<u>500,000</u>	<u>0.40%</u>	<u>-</u>	<u>0.00%</u>	<u>500,000</u>	<u>0.39%</u>
SUB-TOTAL EXPENDITURES	120,415,574	95.50%	2,641,626	100.00%	123,057,200	95.59%
RESERVE FOR UNCOLLECTABLE TAX	<u>5,672,800</u>	<u>4.50%</u>	<u>-</u>	<u>0.00%</u>	<u>5,672,800</u>	<u>4.41%</u>
TOTAL	<u>\$ 126,088,374</u>	<u>100.00%</u>	<u>\$ 2,641,626</u>	<u>100.00%</u>	<u>\$ 128,730,000</u>	<u>100.00%</u>
MILLAGE RATE:	0.6865					

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

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
SALARIES	405,538	989,088	1,071,329	3,842,286	629,303	1,007,666	7,945,210
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
FRINGE BENEFITS							
A. FICA	19,411	61,324	66,423	236,474	37,385	60,442	481,459
B. FICA MED	5,880	14,342	15,534	55,713	9,125	14,611	115,205
C. FL Unemployment	8,111	19,781	21,427	76,846	12,586	20,153	158,904
D. Workers' Comp	642	2,782	3,210	11,556	1,712	2,354	22,256
E. Health Plan	86,576	230,527	273,186	1,158,824	172,860	269,923	2,191,896
F. Retirement	57,526	152,178	137,541	447,387	75,830	120,985	991,448
G. Long Term Disability	1,200	3,826	3,929	14,506	2,374	3,624	29,459
H. Tuition Reimbursement		65,000	-	-	-	-	65,000
J. Retirement Health Savings	3,355	14,540	16,777	60,397	8,948	12,303	116,321
K. Short Term Disability	972	3,176	3,258	11,784	1,964	2,988	24,141
L. Other Fringe Benefits	3,600	15,600	18,000	64,800	9,600	13,200	124,800
Total Fringe Benefits	187,273	583,076	559,284	2,138,288	332,384	520,583	4,320,888
TOTAL PERSONNEL	592,811	1,572,165	1,630,612	5,995,574	961,687	1,528,249	12,281,098
TRAVEL							
A. Local Mileage	1,500	200	1,850	5,500	3,000	400	12,450
B. Staff Development / CSC Business-Related Travel	12,000	35,000	27,500	100,000	18,000	12,000	204,500
C. Council Member Travel	2,000	-	-	-	-	-	2,000
D. Business Expense	3,000	-	-	-	-	-	3,000
TOTAL TRAVEL	18,500	35,200	29,350	105,500	21,000	12,400	221,950
BUILDING SPACE							
A. Maintenance & Security	11,538	49,999	57,693	207,693	30,769	42,308	400,000
B. Utilities	4,615	20,001	23,077	83,076	12,308	16,923	160,000
C. Emergency Maintenance Fund	1,442	6,250	7,211	25,963	3,846	5,288	50,000
D. Quantum Park Fees and Assessments	346	1,499	1,731	6,232	923	1,269	12,000
E. Real Estate Taxes Quantum Park	1,731	7,500	8,653	31,155	4,615	6,346	60,000
TOTAL BUILDING SPACE	19,672	85,249	98,365	354,119	52,461	72,134	682,000
COMMUNICATIONS							
A. Telecommunications	1,442	6,250	7,211	25,963	3,846	5,288	50,000
B. Postage	-	-	15,000	-	-	-	15,000
2015 Tax Notices			7,600				7,600
Total Postage			22,600				22,600
TOTAL COMMUNICATIONS	1,442	6,250	29,811	25,963	3,846	5,288	72,600
PRINTING & SUPPLIES							
A. Supplies	1,154	5,001	5,769	20,768	3,077	4,231	40,000
B. Meeting Supplies	1,400	5,200	300	5,000	750	200	12,850
C. Computer Supplies						20,000	20,000
D. Printing	100	250	350	1,750	75,000	100	77,550
E. Photography/Video					50,000		50,000
TOTAL PRINTING & SUPPLIES	2,654	10,451	6,419	27,518	128,827	24,531	200,400
OTHER EXPENSES							
A. Purchase of Service							

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

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
1. Legal	35,000	-	-	-	-	-	35,000
2. Audit	-	-	60,400	-	-	-	60,400
3. Consulting	10,000	50,000	-	200,000	25,000	25,000	310,000
4. Inspector General Fee	-	86,710	86,709	-	-	-	173,419
B. Insurance	220,000	-	-	-	-	-	220,000
C. Staff Development - In House	-	50,000	-	-	-	-	50,000
D. Dues	130,000	6,800	2,700	5,000	2,000	500	147,000
E. Background Checks/Fingerprinting	-	2,000	-	-	-	-	2,000
F. Subscrip/Publications	2,000	14,700	1,600	2,000	2,200	500	23,000
G. Public Notices & Employment Ads	-	12,000	-	-	-	-	12,000
H. Copier Equipment	1,442	6,250	7,211	25,964	3,846	5,288	50,001
I. Computer Maint & Support	-	-	-	-	-	260,000	260,000
K. Banking Services	-	-	5,000	-	-	-	5,000
L. Investment Advisory Services	-	-	20,000	-	-	-	20,000
L. Service Awards & Recognition	-	3,500	-	-	-	-	3,500
TOTAL OTHER EXPENSES	398,442	231,960	183,620	232,964	33,046	291,288	1,371,320
TOTAL ADMINISTRATIVE EXPENSES	1,033,521	1,941,275	1,978,177	6,741,638	1,200,867	1,933,890	14,829,368
CAPITAL EXPENSES							
A. Computer Hardware	-	-	-	-	-	250,000	250,000
TOTAL CAPITAL EXPENSES						250,000	250,000
NON OPERATING EXPENSES							
A. Property Appraiser Fee	772,645	-	-	-	-	-	772,645
B. Tax Collector Fee	2,086,411	-	-	-	-	-	2,086,411
TOTAL NON-OPERATING EXPENSES	2,859,056						2,859,056
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	99,997,150	-	-	99,997,150
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	50,000	1,935,000	-	1,985,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES	-	-	-	99,947,150	2,030,000	-	101,977,150
CONTINGENCY	500,000						500,000
RESERVE FOR UNCOLLECTABLE TAX	5,672,800						5,672,800
TOTAL BUDGET	10,065,377	1,941,275	1,978,177	106,688,788	3,230,867	2,183,890	126,088,374
Budget: Administrative Expenses	1,033,521	1,703,902	875,487	353,672	646,173	579,878	5,192,634
Budget: Capital Expenses		-	-	-	-	250,000	250,000
Budget: Children's Program: Direct Services		-	-	99,947,150	2,030,000	-	101,977,150
Budget: Children's Program: Support Services		237,372	1,102,690	6,387,966	554,694	1,354,012	9,636,734
Budget: Non-Operating Expenses	9,031,856	-	-	-	-	-	9,031,856
TOTAL BUDGET	10,065,377	1,941,275	1,978,177	106,688,788	3,230,867	2,183,890	126,088,374

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

1. Breakdown of Divisions/Departments

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

- A. Executive Administration** – reflects the costs associated with the CEO function and administration of the Children's Services Council, such as legal fees, insurance, non- operating expenses for the Property Appraiser and Tax Collector and organizational consultants.
- B. Talent & Operations** – consists of the Operations, Human Resources, Project Management and Talent Management departments.
- C. Finance** – Consists of the Accounting, Budget Oversight and Audit 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 2016/17 fiscal year budget contains funding for 104 approved positions, a 3% merit pool in correlation with staff performance evaluations and .5% for promotional increases.
- Fringe benefits are calculated at existing rates for FICA, Medicare and Florida Unemployment.
- Retirement is calculated at 10% of eligible salaries for employees hired on or after January 1, 2012. This percentage is based on the maximum exposure if a match is made depending on the employee's contribution. Prior to a hiring date of January 1, 2012, retirement is calculated at 13% of eligible salaries for employees employed ten years or

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

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

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

3. Travel

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

4. Building Space

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

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

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

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

5. Communications

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

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

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

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

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 \$250,000 for computer hardware.

9. Non-operating expenses

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

10. Allocations

The total proposed allocation to children's programs and initiatives is \$104,618,776.

11. Contingencies

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

12. Reserve for Uncollectable Tax

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

13. Ad Valorem Tax

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

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 .6865 compared to .6677 in the prior 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.