

Children's Services Council

# Finance Committee Meeting

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

## **AGENDA / MINUTES**

### **Welcome and introductions**

#### **Finance Committee Members:**

Tom Lynch, CSC Finance Committee Chair  
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 May 26, 2016 Minutes
- 2 May 31, 2016 Financial Statements
- 3 Proposed 2016-2017 CSC Budget
- 4 Summary for Presentation to Council
- 5 Other – Discussion of Financial Advisor presentation to Committee
- 6 Adjournment

Next Meeting: September 1, 2016

Children's Services Council

# Finance Committee Meeting

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

## AGENDA / MINUTES

### Welcome and introductions

#### Finance Committee Members:

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

#### CSC Staff:

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

### Agenda Items:

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

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

**AGENDA ITEM:** 2

**TITLE:** Financial Statements – May 31, 2016  
(Unaudited)

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

**SUMMARY:**

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the eight months ended May 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 May 31, 2016 the Council had \$84,856,372 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$50,316,449 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 were on deposit in the Council’s operating accounts.

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

**Statement of Revenue and Expenses:**

The budgeted expenditure rate at May 31, 2016 is 66.67%. The estimated expenditure rate for Children’s Programs at May 31, 2016 is 60.08%

**RECOMMENDATION:**

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

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY**

**BALANCE SHEET (Unaudited)**

**May 31, 2016**

|   | <u>General Fund</u>   | <u>Special Revenue Fund</u>                          | <u>Total All Funds</u> |
|---|-----------------------|--|------------------------|
|   |                       | <i>Prevention Partnership for<br/>Children, Inc.</i> |                        |
| <b><u>Assets</u></b>                            |                       |  |                        |
| Cash & Investments                              | \$ 84,843,669         | \$ 12,703  | \$ 84,856,372          |
| Accounts Receivable                             | 2,272,663             | -  | 2,272,663              |
| Interest Receivable                             | 102,175               | -  | 102,175                |
| Advances to Agencies                            | 4,568,451             | -  | 4,568,451              |
| Prepaid Expenses                                | 514,329               | -  | 514,329                |
| Due From - General Fund                         | -                     | 452,599  | 452,599                |
| Capital Assets                                  | 19,554,398            | -  | 19,554,398             |
|   | <hr/>                 | <hr/>  | <hr/>                  |
| Total Assets                                    | <u>111,855,685</u>    | <u>465,302</u>                                       | <u>112,320,987</u>     |
| <b><u>Liabilities &amp; Fund Balance</u></b>    |                       |  |                        |
| <u>Liabilities</u>                              |                       |  |                        |
| Allocations to Children's Services Programs     | 7,361,018             | 457,446  | 7,818,464              |
| Deferred Revenue                                | 326,253               | -  | 326,253                |
| Accounts Payable                                | 310,983               | 7,856  | 318,839                |
| Due to - Special Revenue Fund                   | 452,599               | -  | 452,599                |
| Total Liabilities                               | <u>8,450,853</u>      | <u>465,302</u>                                       | <u>8,916,155</u>       |
| <br>Fund Balance                                |                       |  |                        |
| Nonspendable:                                   |                       |  |                        |
| Prepaid Expenses                                | 514,329               | -  | 514,329                |
| Assigned:                                       |                       |  |                        |
| Reserved in accordance with fund balance policy | 33,491,795            | -  | 33,491,795             |
| Unassigned:                                     | 49,844,310            | -  | 49,844,310             |
|   | <hr/>                 | <hr/>  | <hr/>                  |
| Total Fund Balance                              | <u>83,850,434</u>     | <u>-</u>   | <u>83,850,434</u>      |
|   | <hr/>                 | <hr/>  | <hr/>                  |
| Investment in Capital Assets                    | 19,554,398            | -  | 19,554,398             |
|   | <hr/>                 | <hr/>  | <hr/>                  |
| Total Liabilities and Fund Balance              | <u>\$ 111,855,685</u> | <u>\$ 465,302</u>                                    | <u>\$ 112,320,987</u>  |

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY  
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE  
FOR THE EIGHT MONTHS ENDED MAY 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></u>          | <u></u>       | <u>2015/2016</u>            | <u>Through</u>   | <u>Through</u>   | <u></u>         | <u></u>       | <u>2015/2016</u>   | <u>Through</u>     | <u>Through</u>       | <u></u>          | <u></u>       |
| <u>Budget</u>   | <u>5/31/2016</u>    | <u>5/31/2016</u>   | <u>YTD</u>           | <u>YTD</u>       | <u>Budget</u> | <u>5/31/2016</u>            | <u>5/31/2016</u> | <u>YTD</u>       | <u>YTD</u>      | <u>Budget</u> | <u>5/31/2016</u>   | <u>5/31/2016</u>   | <u>YTD</u>           | <u>YTD</u>       |               |
| <b>Revenues</b>   |                     |                    |                      |                  |               |                             |                  |                  |                 |               |                    |                    |                      |                  |               |
| Ad Valorem Property Taxes                                     | \$ 102,176,959      | \$ 96,452,563      | \$ 96,452,563        | \$ -             | 94.40%        | \$ -                        | \$ -             | \$ -             | \$ -            | 0.00%         | \$ 102,176,959     | \$ 96,452,563      | \$ 96,452,563        | \$ -             | 94.40%        |
| Interest Income   | 300,000             | 200,000            | 394,174              | 194,174          | 131.39%       | -                           | -                | -                | -               | 0.00%         | 300,000            | 200,000            | 394,174              | 194,174          | 131.39%       |
| Unrealized Gain or Loss                                       | -                   | -                  | (12,563)             | (12,563)         | 100.00%       | -                           | -                | -                | -               | 0.00%         | -                  | -                  | (12,563)             | (12,563)         | 100.00%       |
| Department of Health/Agency<br>for Health Care Administration | 3,630,806           | 2,420,537          | 3,630,806            | 1,210,269        | 100.00%       | -                           | -                | -                | -               | 0.00%         | 3,630,806          | 2,420,537          | 3,630,806            | 1,210,269        | 100.00%       |
| Palm Beach County Head Start Match                            | 3,100,000           | 2,066,667          | 2,325,000            | 258,333          | 75.00%        | -                           | -                | -                | -               | 0.00%         | 3,100,000          | 2,066,667          | 2,325,000            | 258,333          | 75.00%        |
| JPB Foundation  | 250,000             | -                  | -                    | -                | 0.00%         | -                           | -                | -                | -               | 0.00%         | 250,000            | -                  | -                    | -                | 0.00%         |
| Income from Tenants   | 70,000              | 46,667             | 50,196               | 3,529            | 71.71%        | -                           | -                | -                | -               | 0.00%         | 70,000             | 46,667             | 50,196               | 3,529            | 71.71%        |
| Other Income  | 100,000             | 66,667             | 220,446              | 153,779          | 220.45%       | -                           | -                | -                | -               | 0.00%         | 100,000            | 66,667             | 220,446              | 153,779          | 220.45%       |
| Cash Carryforward   | 14,843,281          | -                  | -                    | -                | 0.00%         | -                           | -                | -                | -               | 0.00%         | 14,843,281         | -                  | -                    | -                | 0.00%         |
| <b>Total Revenues</b>   | <b>124,471,046</b>  | <b>101,253,100</b> | <b>103,060,622</b>   | <b>1,807,522</b> | <b>82.80%</b> | <b>-</b>                    | <b>-</b>         | <b>-</b>         | <b>-</b>        | <b>0.00%</b>  | <b>124,471,046</b> | <b>101,253,100</b> | <b>103,060,622</b>   | <b>1,807,522</b> | <b>82.80%</b> |
| <b>Expenditures</b>   |                     |                    |                      |                  |               |                             |                  |                  |                 |               |                    |                    |                      |                  |               |
| Administrative Expenditures                                   | 5,342,146           | 3,561,431          | 3,037,014            | 524,416          | 56.85%        | -                           | -                | 982              | (982)           | 100.00%       | 5,342,146          | 3,561,431          | 3,037,996            | 523,434          | 56.87%        |
| Capital Expenditures  | 250,000             | 166,667            | 143,199              | 23,468           | 57.28%        | -                           | -                | -                | -               | 0.00%         | 250,000            | 166,667            | 143,199              | 23,468           | 57.28%        |
| Contingency   | 500,000             | -                  | -                    | -                | 0.00%         | -                           | -                | -                | -               | 0.00%         | 500,000            | -                  | -                    | -                | 0.00%         |
| Non-Operating Expenses  | 2,801,919           | 2,502,676          | 2,502,676            | -                | 89.32%        | -                           | -                | -                | -               | 0.00%         | 2,801,919          | 2,502,676          | 2,502,676            | -                | 89.32%        |
| 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          | 65,342,727         | 58,273,073           | 7,069,654        | 59.45%        | 2,682,701                   | 1,788,467        | 1,695,716        | 92,751          | 63.21%        | 100,696,792        | 67,131,195         | 59,968,789           | 7,162,406        | 59.55%        |
| Support Services:   |                     |                    |                      |                  |               |                             |                  |                  |                 |               |                    |                    |                      |                  |               |
| Programmatic Support  | 9,771,341           | 6,514,227          | 6,401,174            | 113,054          | 65.51%        | -                           | -                | -                | -               | 0.00%         | 9,771,341          | 6,514,227          | 6,401,174            | 113,054          | 65.51%        |
| Total Children's Programs                                     | 107,785,432         | 71,856,955         | 64,674,247           | 7,182,708        | 60.00%        | 2,682,701                   | 1,788,467        | 1,695,716        | 92,751          | 63.21%        | 110,468,133        | 73,645,422         | 66,369,963           | 7,275,459        | 60.08%        |
| <b>Total Expenses</b>   | <b>121,788,345</b>  | <b>78,087,728</b>  | <b>70,357,136</b>    | <b>7,730,592</b> | <b>57.77%</b> | <b>2,682,701</b>            | <b>1,788,467</b> | <b>1,696,698</b> | <b>91,769</b>   | <b>63.25%</b> | <b>124,471,046</b> | <b>79,876,195</b>  | <b>72,053,834</b>    | <b>7,822,361</b> | <b>57.89%</b> |
| <b>Excess Revenues over Expenses</b>                          |                     |                    | 32,703,486           |                  |               |                             |                  | (1,696,698)      |                 |               |                    |                    | 31,006,788           |                  |               |
| <b>Other Financing Sources (Uses)</b>                         |                     |                    |                      |                  |               |                             |                  |                  |                 |               |                    |                    |                      |                  |               |
| Transfers in (out)  | (2,682,701)         | (1,788,467)        | (1,696,698)          | (91,769)         | 63.25%        | 2,682,701                   | 1,788,467        | 1,696,698        | 91,769          | 63.25%        | -                  | -                  | -                    | -                | 0.00%         |
| <b>Net Changes in Fund Balances</b>                           |                     |                    | 31,006,788           |                  |               |                             |                  |                  |                 |               |                    |                    | 31,006,788           |                  |               |
| <b>Fund Balances</b>  |                     |                    |                      |                  |               |                             |                  |                  |                 |               |                    |                    |                      |                  |               |
| October 1, 2015   |                     |                    | 52,843,646           |                  |               |                             |                  | -                |                 |               |                    |                    | 52,843,646           |                  |               |
| May 31, 2016  |                     |                    | <u>\$ 83,850,434</u> |                  |               |                             |                  | <u>\$ -</u>      |                 |               |                    |                    | <u>\$ 83,850,434</u> |                  |               |

**CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE**  
**AGENDA ITEM**  
**June 23, 2016**

**AGENDA ITEM:** 3

**TITLE:** Proposed 2016/2017 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 were presented at the Annual Council Planning Session on April 28, 2016.

Ad valorem tax revenue to support the proposed budget amounts to \$113,095,359 which is based on a projected 7.8% increase in the total tax base within Palm Beach County. The proposed millage rate will be .6857 compared to the prior year millage rate of .6677.

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

Of the total proposed \$128,184,202, Children's Programs Direct Services are budgeted for \$104,001,628 or 81.13% and Program Administrative Support is budgeted for \$9,598,690 or 7.49% for a combined total of \$113,600,318 or 88.62% of the total budget. The Children's Programs Direct Services budget reflects a 3.28% or \$3,304,836 increase from 2015/2016. This increase is attributed to supporting needed growth and newly identified community needs. The Program Administrative Support budget reflects a 1.77% or \$172,651 decrease which relates to an annually revised general and administrative allocation.

The proposed budget for the administrative costs of the Council is \$5,030,437 representing a 5.83% or \$311,709 decrease over the 2015/2016 budget. This decrease reflects the annually revised general and administrative allocation as well as decreased utility, consulting, and planning and policy expenditures. The proposed budget for capital expenses is \$350,000, representing an increase of \$100,000 for an updated server infrastructure.

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

**RECOMMENDATION:** We recommend the Finance Committee and Council approve the proposed 2016/2017 Annual Budget and authorize staff to provide to 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 contained in this budget in the event the final figures from the Property Appraiser are different than these preliminary figures used to calculate the tax revenues).

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

|  | <u>2015/16<br/>APPROVED<br/>BUDGET</u> | <u>2016/17<br/>PROPOSED<br/>BUDGET</u> | <u>INCREASE<br/>(DECREASE)<br/>DIFFERENCE</u> | <u>%<br/>INCREASE<br/>(DECREASE)</u> |
|--|--|--|---|--------------------------------------|
| <b>REVENUES</b>  |  |  |   |                                      |
| AD VALOREM TAXES   | \$ 102,176,959                         | \$ 113,095,359                         | \$ 10,918,400                                 | 10.69%                               |
| 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                              | 3,195,582                              | (435,224)                                     | -11.99%                              |
| Sub-Total Grant Income                                     | <u>6,980,806</u>                       | <u>5,545,582</u>                       | <u>(1,435,224)</u>                            | <u>-20.56%</u>                       |
| INTEREST INCOME  | 300,000                                | 400,000                                | 100,000                                       | 33.33%                               |
| INCOME FROM TENANTS  | 70,000                                 | 70,000                                 | -   | 0.00%                                |
| OTHER INCOME   | 100,000                                | 100,000                                | -   | 0.00%                                |
| CASH BALANCES BROUGHT FORWARD                              | 14,843,281                             | 8,973,261                              | (5,870,020)                                   | -39.55%                              |
| <b>TOTAL</b>   | <b>\$ 124,471,046</b>                  | <b>\$ 128,184,202</b>                  | <b>\$ 3,713,156</b>                           | <b>2.98%</b>                         |
| <b>EXPENDITURES</b>  |  |  |   |                                      |
| CHILDREN'S PROGRAMS  |  |  |   |                                      |
| Direct Services  | \$ 100,696,792                         | \$ 104,001,628                         | \$ 3,304,836                                  | 3.28%                                |
| Support Services   | 9,771,341                              | 9,598,690                              | (172,651)                                     | -1.77%                               |
| Sub-Total Children's Programs                              | <u>110,468,133</u>                     | <u>113,600,318</u>                     | <u>3,132,185</u>                              | <u>2.84%</u>                         |
| ADMINISTRATIVE EXPENSES                                    | 5,342,146                              | 5,030,437                              | (311,709)                                     | -5.83%                               |
| CAPITAL EXPENDITURES                                       | 250,000                                | 350,000                                | 100,000                                       | 40.00%                               |
| NON OPERATING EXPENSES                                     |  |  |   |                                      |
| Palm Beach County Property                                 |  |  |   |                                      |
| Appraiser Fees   | 772,645                                | 783,812                                | -   | 0.00%                                |
| Palm Beach County Tax Collector Fees                       | 2,029,274                              | 2,264,528                              | 235,254                                       | 11.59%                               |
| Sub-Total  | <u>2,801,919</u>                       | <u>3,048,340</u>                       | <u>235,254</u>                                | <u>8.40%</u>                         |
| CONTINGENCY  | 500,000                                | 500,000                                | -   | 0.00%                                |
| SUB-TOTAL EXPENDITURES                                     | 119,362,198                            | 122,529,095                            | 3,166,897                                     | 2.65%                                |
| RESERVE FOR UNCOLLECTABLE TAX                              | 5,108,848                              | 5,655,107                              | 546,259                                       | 10.69%                               |
| <b>TOTAL</b>   | <b>\$ 124,471,046</b>                  | <b>\$ 128,184,202</b>                  | <b>\$ 3,713,156</b>                           | <b>2.98%</b>                         |

PROPOSED MILLAGE RATE:

**0.6857**

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>TOTAL BUDGET</u>   |
|--|------------------------------|-----------------------|--------------------------------|-----------------------|------------------------------|-----------------------|
|  |                              |                       | <u>PREVENTION PARTNERSHIPS</u> |                       |                              |                       |
|  |                              |                       | <u>FOR CHILDREN, INC.</u>      |                       |                              |                       |
| <b>REVENUES</b>  |                              |                       |                                |                       |                              |                       |
| AD VALOREM TAXES   | \$ 113,095,359               | 90.09%                | -                              | 0.00%                 | \$ 113,095,359               | 88.23%                |
| GRANT INCOME   |                              |                       |                                |                       |                              |                       |
| Palm Beach County Head Start Match                         | 2,100,000                    | 1.67%                 | -                              | 0.00%                 | 2,100,000                    | 1.64%                 |
| JPB Foundation   | 250,000                      | 0.20%                 | -                              | 0.00%                 | 250,000                      | 0.20%                 |
| Department of Health/Agency for Health Care Administration | <u>3,195,582</u>             | <u>2.55%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>3,195,582</u>             | <u>2.49%</u>          |
| Sub-Total Grant Income                                     | <u>5,545,582</u>             | <u>4.42%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>5,545,582</u>             | <u>4.33%</u>          |
| INTEREST INCOME  | 400,000                      | 0.32%                 | -                              | 0.00%                 | 400,000                      | 0.31%                 |
| INCOME FROM TENANTS  | 70,000                       | 0.06%                 | -                              | 0.00%                 | 70,000                       | 0.05%                 |
| OTHER INCOME   | 100,000                      | 0.08%                 | -                              | 0.00%                 | 100,000                      | 0.08%                 |
| TRANSFER IN (OUT)  | <u>(2,641,626)</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>8,973,261</u>             | <u>7.15%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>8,973,261</u>             | <u>7.00%</u>          |
| <b>TOTAL</b>   | <b><u>\$ 125,542,576</u></b> | <b><u>100.00%</u></b> | <b><u>\$ 2,641,626</u></b>     | <b><u>100.00%</u></b> | <b><u>\$ 128,184,202</u></b> | <b><u>100.00%</u></b> |
| <b>EXPENDITURES</b>  |                              |                       |                                |                       |                              |                       |
| <b>CHILDREN'S PROGRAMS</b>                                 |                              |                       |                                |                       |                              |                       |
| <b>Direct Services</b>                                     |                              |                       |                                |                       |                              |                       |
| Program Services   | \$ 99,280,002                | 79.08%                | \$ 2,641,626                   | 100.00%               | \$ 101,921,628               | 79.51%                |
| Special Funds and Other                                    | 95,000                       | 0.08%                 | -                              | 0.00%                 | 95,000                       | 0.07%                 |
| Public Education/Awareness                                 | 1,985,000                    | 1.58%                 | -                              | 0.00%                 | 1,985,000                    | 1.55%                 |
| <b>Sub-total Direct Services</b>                           | <b>101,360,002</b>           | <b>80.74%</b>         | <b>2,641,626</b>               | <b>100.00%</b>        | <b>104,001,628</b>           | <b>81.13%</b>         |
| <b>Support Services</b>                                    |                              |                       |                                |                       |                              |                       |
| Programmatic Support Expenses                              | 9,598,690                    | 7.65%                 | -                              | 0.00%                 | 9,598,690                    | 7.49%                 |
| <b>Sub-total Support Services</b>                          | <b><u>9,598,690</u></b>      | <b><u>7.65%</u></b>   | <b><u>-</u></b>                | <b><u>0.00%</u></b>   | <b><u>9,598,690</u></b>      | <b><u>7.49%</u></b>   |
| <b>Sub-Total Children's Programs</b>                       | <b>110,958,692</b>           | <b>88.38%</b>         | <b>2,641,626</b>               | <b>100.00%</b>        | <b>113,600,318</b>           | <b>88.62%</b>         |
| ADMINISTRATIVE EXPENSES                                    | 5,030,437                    | 4.01%                 | -                              | 0.00%                 | 5,030,437                    | 3.92%                 |
| CAPITAL EXPENDITURES                                       | 350,000                      | 0.28%                 | -                              | 0.00%                 | 350,000                      | 0.27%                 |
| NON OPERATING EXPENSES                                     |                              |                       |                                |                       |                              |                       |
| Palm Beach County Property Appraiser Fees                  | 783,812                      | 0.62%                 | -                              | 0.00%                 | 783,812                      | 0.61%                 |
| Palm Beach County Tax Collector Fees                       | <u>2,264,528</u>             | <u>1.80%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>2,264,528</u>             | <u>1.77%</u>          |
| Sub-Total Non Operating Expenses                           | 3,048,340                    | 2.43%                 | -                              | 0.00%                 | 3,048,340                    | 2.38%                 |
| CONTINGENCY  | <u>500,000</u>               | <u>0.40%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>500,000</u>               | <u>0.39%</u>          |
| <b>SUB-TOTAL EXPENDITURES</b>                              | <b>119,887,469</b>           | <b>95.50%</b>         | <b>2,641,626</b>               | <b>100.00%</b>        | <b>122,529,095</b>           | <b>95.59%</b>         |
| RESERVE FOR UNCOLLECTABLE TAX                              | <u>5,655,107</u>             | <u>4.50%</u>          | <u>-</u>                       | <u>0.00%</u>          | <u>5,655,107</u>             | <u>4.41%</u>          |
| <b>TOTAL</b>   | <b><u>\$ 125,542,576</u></b> | <b><u>100.00%</u></b> | <b><u>\$ 2,641,626</u></b>     | <b><u>100.00%</u></b> | <b><u>\$ 128,184,202</u></b> | <b><u>100.00%</u></b> |
| <b>MILLAGE RATE:</b>                                       | <b>0.6857</b>                |                       |                                |                       |                              |                       |



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     |
|--|--------------------------|---------------------|-----------|------------------|----------------|------------------------|------------|
| <b>SALARIES</b>                                    | 405,538                  | 989,088             | 1,071,329 | 3,842,286        | 629,303        | 1,007,666              | 7,945,210  |
| <b>TEMPORARY PERSONNEL</b>                         | -                        | -                   | -         | 15,000           | -              | -                      | 15,000     |
| <b>FRINGE BENEFITS</b>                             |                          |                     |           |                  |                |                        |            |
| 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                                 | 811                      | 1,978               | 2,143     | 7,685            | 1,259          | 2,015                  | 15,891     |
| 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    |
| <b>Total Fringe Benefits</b>                       | 179,973                  | 565,273             | 540,000   | 2,069,127        | 321,057        | 502,445                | 4,177,875  |
| <b>TOTAL PERSONNEL</b>                             | 585,511                  | 1,554,362           | 1,611,328 | 5,926,413        | 950,360        | 1,510,111              | 12,138,085 |
| <b>TRAVEL</b>                                      |                          |                     |           |                  |                |                        |            |
| 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      |
| <b>TOTAL TRAVEL</b>                                | 18,500                   | 35,200              | 29,350    | 105,500          | 21,000         | 12,400                 | 221,950    |
| <b>BUILDING SPACE</b>                              |                          |                     |           |                  |                |                        |            |
| 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     |
| <b>TOTAL BUILDING SPACE</b>                        | 19,672                   | 85,249              | 98,365    | 354,119          | 52,461         | 72,134                 | 682,000    |
| <b>COMMUNICATIONS</b>                              |                          |                     |           |                  |                |                        |            |
| 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     |
| <b>TOTAL COMMUNICATIONS</b>                        | 1,442                    | 6,250               | 29,811    | 25,963           | 3,846          | 5,288                  | 72,600     |
| <b>PRINTING &amp; SUPPLIES</b>                     |                          |                     |           |                  |                |                        |            |
| 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     |
| <b>TOTAL PRINTING &amp; SUPPLIES</b>               | 2,654                    | 10,451              | 6,419     | 27,518           | 128,827        | 24,531                 | 200,400    |
| <b>OTHER EXPENSES</b>                              |                          |                     |           |                  |                |                        |            |

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             |
|---|--------------------------|---------------------|------------------|--------------------|------------------|------------------------|--------------------|
| A. Purchase of Service  |                          |                     |                  |                    |                  |                        |                    |
| 1. Legal  | 35,000                   | -                   | -                | -                  | -                | -                      | 35,000             |
| 2. Audit  | -                        | -                   | 60,400           | -                  | -                | -                      | 60,400             |
| 3. Consulting   | 10,000                   | 50,000              | -                | 200,000            | 25,000           | 25,000                 | 310,000            |
| 4. Inspector General Fee  | -                        | 58,095              | 58,096           | -                  | -                | -                      | 116,191            |
| B. Insurance  | 220,000                  | -                   | -                | -                  | -                | -                      | 220,000            |
| C. Staff Development - In House                                   | -                        | 50,000              | -                | -                  | -                | -                      | 50,000             |
| D. Dues   | 130,000                  | 6,800               | 2,700            | 5,000              | 2,000            | 500                    | 147,000            |
| E. Background Checks/Fingerprinting                               | -                        | 2,000               | -                | -                  | -                | -                      | 2,000              |
| F. Subscrip/Publications  | 2,000                    | 14,700              | 1,600            | 2,000              | 2,200            | 500                    | 23,000             |
| G. Public Notices & Employment Ads                                | -                        | 12,000              | -                | -                  | -                | -                      | 12,000             |
| H. Copier Equipment   | 1,442                    | 6,250               | 7,211            | 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              |
| <b>TOTAL OTHER EXPENSES</b>                                       | <b>398,442</b>           | <b>203,345</b>      | <b>155,007</b>   | <b>232,964</b>     | <b>33,046</b>    | <b>291,288</b>         | <b>1,314,092</b>   |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b>                              | <b>1,026,221</b>         | <b>1,894,857</b>    | <b>1,930,280</b> | <b>6,672,477</b>   | <b>1,189,540</b> | <b>1,915,752</b>       | <b>14,629,127</b>  |
| <b>CAPITAL EXPENSES</b>   |                          |                     |                  |                    |                  |                        |                    |
| A. Computer Hardware  | -                        | -                   | -                | -                  | -                | 350,000                | 350,000            |
| <b>TOTAL CAPITAL EXPENSES</b>                                     |                          |                     |                  |                    |                  | <b>350,000</b>         | <b>350,000</b>     |
| <b>NON OPERATING EXPENSES</b>                                     |                          |                     |                  |                    |                  |                        |                    |
| A. Property Appraiser Fee   | 783,812                  | -                   | -                | -                  | -                | -                      | 783,812            |
| B. Tax Collector Fee  | 2,264,528                | -                   | -                | -                  | -                | -                      | 2,264,528          |
| <b>TOTAL NON-OPERATING EXPENSES</b>                               | <b>3,048,340</b>         |                     |                  |                    |                  |                        | <b>3,048,340</b>   |
| <b>ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES</b>       |                          |                     |                  |                    |                  |                        |                    |
| A. Direct Funded Programs and Initiatives                         | -                        | -                   | -                | 99,280,002         | -                | -                      | 99,280,002         |
| 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          |
| <b>TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES</b> | <b>-</b>                 | <b>-</b>            | <b>-</b>         | <b>99,330,002</b>  | <b>2,030,000</b> | <b>-</b>               | <b>101,360,002</b> |
| <b>CONTINGENCY</b>  | <b>500,000</b>           |                     |                  |                    |                  |                        | <b>500,000</b>     |
| <b>RESERVE FOR UNCOLLECTABLE TAX</b>                              | <b>5,655,107</b>         |                     |                  |                    |                  |                        | <b>5,655,107</b>   |
| <b>TOTAL BUDGET</b>   | <b>10,229,668</b>        | <b>1,894,857</b>    | <b>1,930,280</b> | <b>106,002,479</b> | <b>3,219,540</b> | <b>2,265,752</b>       | <b>125,542,576</b> |
| Budget: Administrative Expenses                                   | 1,026,221                | 1,659,775           | 839,502          | 350,044            | 643,908          | 510,986                | 5,030,437          |
| Budget: Capital Expenses  |                          |                     |                  |                    |                  | 350,000                | 350,000            |
| Budget: Children's Program: Direct Services                       |                          |                     |                  | 99,330,002         | 2,030,000        |                        | 101,360,002        |
| Budget: Children's Program: Support Services                      |                          | 235,081             | 1,090,778        | 6,322,433          | 545,632          | 1,404,766              | 9,598,690          |
| Budget: Non-Operating Expenses                                    | 9,203,447                |                     |                  |                    |                  |                        | 9,203,447          |
| <b>TOTAL BUDGET</b>   | <b>10,229,668</b>        | <b>1,894,857</b>    | <b>1,930,280</b> | <b>106,002,479</b> | <b>3,219,540</b> | <b>2,265,752</b>       | <b>125,542,576</b> |

**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 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.

**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 \$350,000 for computer hardware and updated server infrastructure.

**9. Non-operating expenses**

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

**10. Allocations**

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

**11. Contingencies**

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

**12. Reserve for Uncollectable Tax**

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

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

**13. Ad Valorem Tax**

Revenue is calculated based on a projected estimate of taxable value which reflects an estimated 7.8% increase in the taxable value from the previous year. The millage rate is .6857 compared to .6677 in the prior year.

**14. Grant Income**

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

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

**15. Other income**

Other income reflects the revenues to be generated from 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 not to exceed the 27.5% of the total budget fund balance policy.



**AGENDA ITEM: 4**

**TITLE: Summary for Presentation to Council\***

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

**SUMMARY:**

- 1** Approved the May 26, 2016 Minutes
- 2** Approved and recommended the Council approve the May 31, 2016 Financial Statements
- 3** Approved and recommended the Council approve the Proposed 2016-2017 CSC Budget (Jen to present to Council)

\* This document was created prior to the Finance Committee meeting and is subject to approval of the above referenced items during the meeting.