

AGENDA

MEETING OF THE BOARD OF COMMISSIONERS

Chair: Sheila Kuehl

Wednesday, June 5, 2019

1:00 PM - 1:45

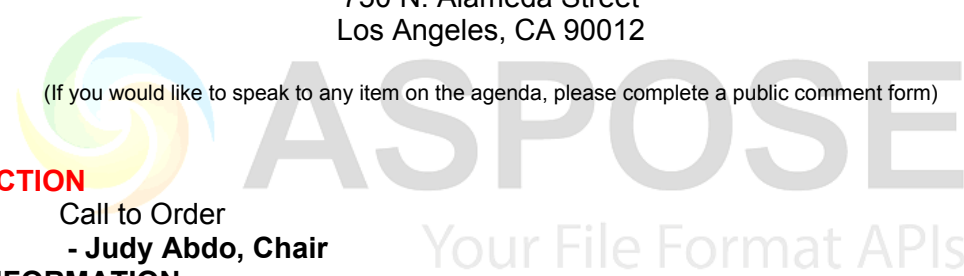
Meeting Location:

First 5 LA

750 N. Alameda Street

Los Angeles, CA 90012

(If you would like to speak to any item on the agenda, please complete a public comment form)

- 
1. **ACTION**
Call to Order
- **Judy Abdo, Chair**
 2. **INFORMATION** 3
Review Executive Committee Meeting Notes (Combined Meeting of the Executive Committee with Budget & Finance Committee) - May 2, 2019
- **Judy Abdo, Chair**
 3. **INFORMATION (NO STANDING ITEMS WILL BE DISCUSSED)**
Standing Items
 - A. Annual Audit
 - B. Review of Annual Operating Budget
 - C. Review of Annual Report to the State Commission
 - D. Contract Compliance
 - E. Quality Assurance
 - F. Evaluation
 - G. Policy and Advocacy
 - H. Personnel and Compensation
 4. **INFORMATION**
Proposed Changes to First 5 LA Bylaws
- **Craig Steele, First 5 LA Legal Counsel**

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COMMISSIONERS

Los Angeles County Supervisor	Jane Boeckmann	Yvette Martinez
Sheila Kuehl	Bobby Cagle	Romalis J. Taylor
<i>Chair</i>	Barbara Ferrer, Ph.D., M.P.H., M.Ed.	Keesha Woods
Judy Abdo		Marlene Zepeda, Ph.D.
<i>Vice Chair</i>		

EX OFFICIO MEMBERS

Karla Pleitez Howell
Jonathan E. Sherin, M.D., Ph.D.
Wendy Smith, Ph.D., LCSW
Deanne Tilton

EXECUTIVE DIRECTOR

Kim Belshé

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

5. **INFORMATION**

Public Comment for items not on the agenda

6. **ACTION**

Adjournment of Regular Session

7. **CLOSED SESSION**

Item 1

Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8

Property: A Portion of the Building Located at 750 N. Alameda Street, Los Angeles

Agency Negotiator: Executive Vice President, Senior Director of Administration, & Legal Counsel

Negotiating Parties: La Petite Academy, Inc.

Under Negotiation: Terms and Price of Lease/Potential Lease

The Commission will provide an opportunity for public comment on the item on this agenda.



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SUMMARY MEETING NOTES

**FIRST 5 LA
SUMMARY MEETING NOTES
Special Meeting of the Board of Commissioners
(Combined Meeting of the Executive and Budget & Finance Committees)
May 2, 2019
1:30 pm – 3:30 pm
Closed Session of the Executive Committee
3:30 pm – 4:00 pm**

EXECUTIVE COMMITTEE MEMBERS

PRESENT:

Judy Abdo (Chair)
Yvette Martinez
Marlene Zepeda (Vice Chair)

BUDGET & FINANCE COMMITTEE

MEMBERS PRESENT:

Astrid Heger
Yvette Martinez (Chair)
Romalis Taylor (Vice Chair)
Michelle Vega

LEGAL COUNSEL:

Craig Steele

EXTERNAL PRESENTER:

Roger Alfaro, Partner, Vavrinek, Trine, Day & Co.

EXECUTIVE COMMITTEE MEMBERS

ABSENT:

Jonathan Sherin [Excused]

BUDGET & FINANCE COMMITTEE

MEMBERS ABSENT:

Bobby Cagle [Excused]

STAFF PRESENT:

Christina Altmayer, VP of Programs
Kim Belshé, Executive Director
Kim Pattillo Brownson, VP of Policy & Strategy
Carl Gayden, Senior Director of Administration
Faustino Genio, Accounting Manager
Armando Jimenez, Director, Monitoring, Learning & Evaluation
Daisy Lopez, Financial Planning & Analysis Manager
Raoul Ortega, Finance Director
Linda Vo, Board Relations Specialist
John Wagner, Executive Vice President

1. Call to Order/Roll Call

The meeting of the Budget & Finance Committee was called to order by Executive Committee Chair Abdo at 1:31 pm. Roll call completed.

**2. Standing Items:
Annual Audit – Entrance Interview**

Mr. Genio gave a brief introduction to this item and introduced Roger Alfaro from Vavrinek, Trine Day & Co (VTD). Mr. Alfaro provided an overview of the audit process that he and his company would be undertaking with First 5 LA in the coming months. He informed the committee that he would be going over the scope and timing of the audit for Fiscal Year 17-18. He also informed the Committee that this is a requirement of the State that First 5 LA be audited and that any findings would be reported and communicated to the Commissioners and Public.

Mr. Alfaro informed the Committees that his firm would be performing the following audits:

- Comprehensive Annual Financial Report (CAFR)
- State Compliance – Standards and Procedures for Audits of California Counties Participating in the Children and Families Program issued by the State Controller's Office

VTD would be abiding the following timeline:

SUMMARY MEETING NOTES

- Planning and Interim Fieldwork – June
- Final Fieldwork – August
- Report Delivery – September/October

Mr. Alfaro informed the Committees that it is his firm's responsibility in the audit process to do the following:

- Express opinions about whether the financial statements that have been prepared by management with the oversight of the Commission, in all material respects, are presented fairly and in conformity with generally accepted accounting principles

He reminded the Committees that these opinions, though reasonable, are not necessarily absolute assurance. He also added that the audit does not relieve the Commission or management of its responsibilities.

He further added that VTD is also responsible for the following:

- Obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures
 - Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity
 - No opinion on internal control will be expressed
- Communicating other matters
 - Qualitative aspects of accounting policies and accounting estimates and note disclosures
 - Difficulties encountered
 - Uncorrected misstatements
 - Material corrected misstatements
 - Disagreements with managements
 - Management representations
 - Consultations with other accountants

Mr. Alfaro briefly explained VTD's approach in the audit process. He said VTD plans to meet with management to identify audit risk areas or unusual transactions. As a part of this process, they would also inspect financial and other information to ensure that First 5 LA is operating in compliance with state guidelines.

Mr. Alfaro said the final stage of the audit would be to perform substantive tests, from a sample basis, on account balances and transactions. These tests include, but are not limited to:

- Address key audit areas
- Perform tests, on a sample basis, on account balances and classes of transactions
- Prepare draft CAFR
- Test journal entries
- Assess accounting principles used and significant estimates
- Confirm contingencies with legal counsel
- Consider subsequent events

He informed the Committee that VTD would also determine the adequacy of the financial statements and disclosures, including assessing accounting principles used.

Once the audit is completed, VTD would do an exit by:

SUMMARY MEETING NOTES

- Proposing/Discussing audit adjustments
- Presenting findings and recommendations
- Providing required communications to those charged with governance

Mr. Alfaro completed his presentation to the Committees and then asked if there were any questions about the audit process.

There was no further discussion on this item.

Review of Annual Budget – Proposed Draft Budget FY 19-20

Mr. Ortega provided a brief overview of the budget process before handing it over to Ms. Lopez. Ms. Lopez first presented First 5 LA’s budget themes:

- Continued Progress in Implementation of the SP
- Policy and systems change – at the center of our work
- Partnerships at the heart of changing systems and at the heart of our budget
- First 5 LA as an impact-focused learning organization
- Sustainability planning
- Equity

Ms. Lopez informed the Committees the 19-20 budget was structured to reflect the 2015-2020 Strategic Plan priorities, the various activity components, and the ongoing work of First 5 LA. The Finance team used the knowledge and experience gained during the budgeting, mid-year adjustment, and long- term financial projection processes to inform and help evolve our budgeting approach. This approach, allowed First 5 LA to produce improved estimates, grounded on actual expenditures, data trends, vendor information, and other learned experiences to achieve greater precision and transparency.

Ms. Lopez presented the following Budget summaries:

BUDGET CATEGORY	FY 2018-19 Budget				Proposed		Variance
	Original		Revised		FY 2019-20 Budget		
Program							
<i>2015-2020 Strategic Plan: Focusing for the Future</i>							
a. Programs Division: Four Priority Outcome Areas	\$ 88,781,000		\$ 91,345,000		\$ 90,556,000		\$ (789,000) -0.9%
b. Policy & Strategy Division: SP Related Investment Areas & Support	10,560,000		10,305,000		9,892,000		\$ (413,000) -4.0%
c. Integration & Learning Division: Learning Organization	5,941,000		5,941,000		6,212,000		\$ 271,000 4.6%
<i>Total 2015-2020 Strategic Plan</i>	\$ 105,282,000	75%	\$ 107,591,000	76%	\$ 106,660,000	80%	\$ (931,000) -0.3%
<i>Legacy Investments</i>	11,708,000	8%	11,646,000	8%	4,229,000	3%	(7,417,000) -63.7%
Total Program	\$ 116,990,000	84%	\$ 119,237,000	84%	\$ 110,889,000	83%	\$ (8,348,000) -7.0%
Operating (Administration Division)	22,849,688	16%	22,849,688	16%	22,828,358	17%	(21,330) -0.1%
TOTAL BUDGET	\$ 139,839,688	100%	\$ 142,086,688	100%	\$ 133,717,358	100%	\$ (8,369,330) -5.9%

SUMMARY MEETING NOTES

2015-2020 STRATEGIC PLAN OUTCOME AREA	Revised FY 2018-19	Proposed FY 2019-20	Variance	
Families	\$ 41,383,000	\$ 39,343,000	\$ (2,040,000)	-4.9%
Communities	20,482,000	19,470,000	(1,012,000)	-4.9%
Early Care & Education (ECE) Systems	25,793,000	26,046,000	253,000	1.0%
Health-Related Systems	3,687,000	5,697,000	2,010,000	54.5%
Total Strategic Plan Priority Outcome Areas	\$ 91,345,000	\$ 90,556,000	\$ (789,000)	-0.9%

FAMILIES OUTCOME AREA	Revised FY 2018-19 Budget		Proposed FY 2019-20 Budget	
Strategy 1 - Home Visiting	\$ 39,348,000	95%	\$ 37,275,000	95%
Strategy 2 - Family Engagement	1,835,000	4%	2,068,000	5%
Total Families Outcome Area	\$ 41,383,000	100%	\$ 39,343,000	100%

COMMUNITIES OUTCOME AREA	Revised FY 2018-19 Budget		Approved FY 2019-20 Budget	
Strategy 1 - Community Leadership & Collaboration	\$ 18,282,000	89%	\$ 17,324,000	89%
Strategy 2 - Coordinated Services & Supports	323,000	2%	273,000	1%
Strategy 3 - Built Environment Policy & Advocacy	956,000	5%	1,175,000	6%
Cross-Strategy Investments	671,000	3%	698,000	4%
Total Communities Outcome Area	\$ 20,482,000	100%	\$ 19,470,000	100%

ECE OUTCOME AREA	Revised FY 2018-19 Budget		Approved FY 2019-20 Budget	
Strategy 1 - Policy/Advocacy	\$ 7,270,000	28%	\$ 8,464,000	32%
Strategy 2 - QRIS	15,833,000	61%	15,550,000	60%
Strategy 3 - Professional Development	2,215,000	9%	1,905,000	7%
Emerging Opportunities	475,000	2%	127,000	0%
Total ECE Outcome Area	\$ 25,793,000	100%	\$ 26,046,000	100%

HEALTH-RELATED SYSTEMS OUTCOME AREA	Revised FY 2018-19 Budget		Proposed FY 2019-20 Budget	
Strategy 1 - Early Identification and Intervention	\$ 2,610,000	71%	\$ 4,815,000	85%
Strategy 2 - Trauma-Informed Care	827,000	22%	697,000	12%
Emerging Opportunities	250,000	7%	185,000	3%
Total Health Outcome Area	\$ 3,687,000	100%	\$ 5,697,000	100%

SUMMARY MEETING NOTES

Policy & Strategy Division: Strategic Plan	Revised		Proposed	
Related Investment Area & Support	FY 2018-19 Budget		FY 2019-20 Budget	
Policy Agenda/Advocacy	\$ 2,715,000	26%	\$ 2,370,000	24%
Communications	6,396,000	61%	6,116,000	62%
County Partnerships	165,000	2%	315,000	3%
Strategic Partnerships	946,000	9%	718,000	7%
Community Engagement and Advocacy	161,000	2%	323,000	3%
Policy & Strategy - Emerging Opportunities	75,000	1%	50,000	1%
Total P&S Division SPRIA Support Costs	\$ 10,458,000	100%	\$ 9,892,000	100%

Integration & Learning Division	Revised		Proposed	
	FY 2018-19 Budget		FY 2019-20 Budget	
Integration & Learning Division Support	\$ 290,000	0%	\$ 578,000	9%
Integration & Learning	206,000	3%	171,000	3%
Measurement, Learning & Evaluation	5,345,000	90%	5,463,000	88%
Integration & Learning - Emerging Opportunities	100,000	2%	-	0%
Total Integration & Learning Division	\$ 5,941,000	100%	\$ 6,212,000	100%

OPERATING COST CATEGORY	FY 2018-19 Budget				Proposed		Variance	
	Original		Revised					
Personnel Services	\$ 18,024,406	79%	\$ 17,765,206	78%	\$ 17,867,331	78.3%	\$ 102,125	0.6%
Operating Expenses	1,788,900	8%	\$ 1,815,300	8%	1,801,387	7.9%	\$ (13,913)	-0.8%
Consultant Services	1,532,300	7%	\$ 1,732,300	8%	1,715,700	7.5%	\$ (16,600)	-1.0%
Professional Services	520,552	2%	\$ 540,552	2%	512,740	2.2%	\$ (27,812)	-5.1%
Travel Expenses	422,630	2%	\$ 439,430	2%	448,850	2.0%	\$ 9,420	2.1%
Professional Development	560,900	2%	\$ 556,900	2%	482,350	2.1%	\$ (74,550)	-13.4%
Total Operating Costs	\$ 22,849,688	100%	\$ 22,849,688	100%	\$ 22,828,358	100%	\$ (21,330)	-0.1%

Please note: Percentages reflected have been rounded to the nearest whole

Questions/Comments made by Commissioners and responses from First 5 LA staff on the Budget presentation:

Q: Marlene Zepeda – Is QRIS funding for LA County only or also State?

A: Christina Altmayer – Only LA

C: Judy Abo - Concerned about percentage of money going to QRIS. Would like to hear more about how investing into QRIS has made a difference in our work.

Q: Romalis Taylor – Stated the need for equity aspect and wanted to know if funding for something like this is already included in the budget.

A: John Wagner – This component has been accounted for and is already built into the budget

SUMMARY MEETING NOTES

Q: Marlene Zepeda – Is there going to be a final report on legacy investments once projects are done to see what has been done and learnings? Is important public relations given the transition from direct funding to policy & advocacy. This will demonstrate to the community that we did learn and apply these learnings in the new landscape that has moved away from direct services.

A: Armando Jimenez – Yes, staff will work on creating a final report to answer these types of questions.

A: Kim Belshé – Policy Advocacy Fund is a good example of how we have done this: learning about our work and how we are approaching our work. In addition, on the May Board ED report, one of our legacy investments, Reducing Early Childhood Obesity (RECO), will be included as a report out

A: Christina Altmayer – Informs the Committees that First 5 LA has already done this with some of its legacy investments.

Q: Wendy Garen – How was the Administrative Cost Limit amount established? Seems like a small Amount? Is concerned about the limitations and how it might impact how we might want to do our work.

A: Kim Belshé – Informs Wendy that the ACL is a state reporting requirement and reflects diversity of approaches that County agencies take.

Ms. Lopez concluded her presentation by informing the Committee members that the Budget item would be brought back to the full Board at the following meetings:

1. May 9, Board of Commissioners Meeting (Information)
2. May 23, Special Board/Program & Planning Committee Meeting (Information)
3. June 13, Board of Commissioners Meeting (Action)

There is no further discussion on this item.

3. **Capital Improvement Plan Update:** **A. Architecture & Engineering Consultant Contractor** **B. Exemption to Waive the Environmental Study State Requirement**

Mr. Gayden provided the Committees with a status update on the Capital Improvement Plan (CIP). He reminded the Committee that the Capital Improvement Fund (CIF) was established by the Board in June 2017 for \$6,959,676. Then, in July 2018, the CIP was adopted by the Board which:

- Recommitted the CIF
- Authorized the expenditures from CIF; waiving First 5 LA procurement policy to “piggyback”
- Allowed the Executive Director to execute all agreements and only coming back to the Board if required by law
- CIP will address all ongoing preventative maintenance in future budgets

Mr. Gayden also reminded the Committee that the purpose of the CIP was to reflect the newly aligned organizational structure and enhance collaboration and work.

SUMMARY MEETING NOTES

As part of this project, Mr. Gayden informed the Committee that First 5 LA is subject to all relevant and applicable city, county and state building and environmental laws and requirements, including being subject to the requirements under the California Environmental Quality Act (CEQA).

However, given the following, First 5 LA is asking the Board to categorically find First 5 LA exempt from review under CEQA per its guidelines:

- The project does not involve the expansion of the existing building or any new construction of exterior space
- There aren't any aspects of the project that will create a significant effect on the environment

M. Gayden concluded his presentation by informing the Committee members the item would be brought for action at the upcoming May 9 Board meeting.

There is no further discussion on this item.

4. Adjournment of the Executive Committee

The Executive Committee meeting was adjourned at 3:15 pm. Budget & Finance Committee continues meeting session.

5. Review Special Meeting of Budget & Finance Committee Meeting Notes: February 4, 2019

Meeting notes were received and filed with no deletions, additions or edits.

6. Public Comments (for items not on the agenda)

7. Adjournment of the Budget & Finance Committee Meeting

CLOSED SESSION OF THE EXECUTIVE COMMITTEE:

Meeting was called to order at 3:20 pm. The Executive Committee approved (as presented) the Executive Director's goals and objectives for the current calendar year.;3-0. There was no reportable action. Meeting adjourned at 4:10 pm.

NEXT MEETING:

The next Executive Committee meeting will take place on Wednesday, June 5, 2019 at 1:00 pm.

First 5 LA
Communities Conference Room, First Floor
750 N. Alameda Street
Los Angeles, CA 90012

Summary minutes were recorded by Linda Vo, Board Relations Specialist.



Craig A. Steele

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MEMORANDUM

TO: Honorable Chair and Members of the Executive Committee

CC: Kim Belshé
John Wagner

FROM: Craig A. Steele, Legal Counsel

DATE: May 28, 2019

SUBJECT: Proposed Bylaw Amendment to Eliminate Limit on Terms Served by Officers of the Commission

The Commission's Bylaws provide the rules and operating procedures for the governance of First 5 LA, as required by State law and the Los Angeles County Code. The original Bylaws were among the first official actions adopted by the original Los Angeles County Proposition 10 Commission. As First 5 LA has evolved and matured over the ensuing years, the Commission has updated the Bylaws periodically to reflect then-current circumstances.

Originally, the Bylaws included a limit on the number of terms an individual could serve as an officer of the Commission at two terms. The officers of the Commission, established in the Bylaws, are the Chair, Vice Chair, and Committee Chairs. The first term limit reflected the original Commission's desire to have all members involved as officers, as well as the Board of Supervisors' rotating appointment of a different member to the Commission every year and your Commission's tradition of electing the County Supervisor member as Commission Chair. In 2017, to reflect the Commission's recognition that more continuity in the service of officers is desirable, the two term limit was increased to four. The more recent pattern has seen the successive Chairs of the Board of Supervisors continue to appoint Supervisor Kuehl to serve on the First 5 LA Commission. She has expressed interest in continuing to serve in future years. In the immediate term, this proposed change would permit Chair Kuehl to serve again in that role if she is designated by the Chair of the Board of Supervisors and elected to another term as Chair by the Commission.

Given the maturity of the organization, and with the benefit of about 20 years of governance experience, staff believes that the term limit has served its useful purpose and is no

longer necessary. Removing the term limit from the Bylaws will promote continuity in the leadership of First 5 LA, which has become extremely beneficial for the organization. The proposed amendment also makes a minor clarifying change to language about the length of a term of office. Staff recommends that the Executive Committee review the proposed bylaw amendment attached to this memorandum and recommend that the full Commission adopt it.

If the Executive Committee recommends approval of this amendment, the full Commission will consider and vote on the amendment through the Commission's normal two-step consideration process.

Attachment(s)

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**FIRST 5 LA
2019 PROPOSED BYLAW AMENDMENT**

Text to be deleted shown in ~~strike through~~. Text to be added is underlined.

**ARTICLE V
Commission Officers and Election**

Section I. Officers

The officers of the Commission shall be a Chair, Vice-Chair, and such other officers as the Commission may designate. The Chair and Vice-Chair shall perform the duties of their respective offices indicated in these by-laws, and such other duties as the Commission may direct from time to time. The Executive Director or her/his designee shall serve as Secretary to the Commission.

Section II. Election

Officers of the Commission shall be chosen annually by an election to be held not later than January, unless an earlier election is necessary because of a vacancy.

Section III. Terms

The term of office for officers of the Commission is one year from the date of election or until removal or resignation, if earlier.

~~No individual Commission member shall be eligible for election to the same office of the Commission for more than four (4) consecutive terms.~~ The Commission may remove an officer prior to the expiration of his or her term, as deemed necessary.

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