



FINANCE COMMITTEE MEETING AGENDA

November 9, 2020 at 12:00 p.m.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA Approve
4. APPROVAL OF OCTOBER 22, 2020 MINUTES
 - A. October 22, 2020 Finance Committee Minutes Approve Page 2
5. FINANCIAL REPORTS: SEPTEMBER 2020 Accept
 - A. Agency Financial Statements Page 6
 - B. Head Start Financial Status Report Page 9
6. HEALTH INSURANCE STOP LOSS RENEWAL
 - A. Health Insurance Stop Loss Renewal Approve Page 12
7. HHS HEAD START 0-5 MONITORING STATUS UPDATE
 - A. HHS Head Start 0-5 Monitoring Update Information Page 15
8. NON-COMPETITIVE PROCUREMENT
 - A. Non-Competitive Procurement Information Page 16
9. HEALTH INSURANCE REPORT
 - A. Health Insurance Report Information Page 17
10. INVESTMENT REPORT
 - A. Investment Report Information Page 19
11. VARIANCE REPORTS
 - A. Variance Report Information Page 20
12. OTHER BUSINESS
 - Next Meeting: Wednesday, December 9, 2020 At 12:00 PM
13. ADJOURNMENT



**FINANCE COMMITTEE MEETING
Fresno EOC
Thursday, October 22, 2020
12:00 p.m.**

MINUTES

Note: Meeting was rescheduled from Wednesday, October 14, 2020.

1. CALL TO ORDER

Charles Garabedian, Chair, called the meeting to order at 12:02 PM.

2. ROLL CALL

Roll was called and a quorum was established.

COMMITTEE MEMBERS	PRESENT	STAFF & GUESTS	
Charles Garabedian (chair)	✓	Darlene Trujillo	Michelle Tutunjian
Oliver Baines		Elizabeth Jonasson	Mike Garcia
Amparo Cid	✓	Emilia Reyes	Misty Gattie-Blanco
Itzi Robles	✓	Jane Thomas	Monica Moua
		Janet Berberian	Rebecca Heinrich
		Jim Rodriguez	Steve Warnes
		Karina Perez	Thelma Harrison

3. APPROVAL OF AGENDA

M/S/C – Cid/Robles to approve the agenda. All in favor.

4. APPROVAL OF MINUTES

A. September 9, 2020 Finance Committee Minutes

B. September 28, 2020 Finance Committee Minutes

M/S/C – Cid/Robles to approve the September 9 and 28 meeting minutes. All in favor.

5. FINANCIAL REPORTS: AUGUST 2020

A. Agency Financial Statements

Darlene Trujillo, Senior Accountant, presented the Statement of Activities for the eight-month period ending August 31, 2020. Trujillo reported total cash revenue of \$59,288,351; in kind revenue of \$21,110,750; total revenue and support of \$80,399,101; grant revenue of \$44,303,806 at 54% of budget; personnel costs of \$39,147,216 at 59% of annual budget; total cash expenditures of \$59,166,020 at 57% of annual budget; and total expenditures of \$80,276,770.

Trujillo also presented the Statement of Financial Position as of August 31, 2020 which reported total assets of \$53,498,717; total liabilities of \$24,155,165; health insurance reserve of \$3,184,319; and a total fund balance of \$29,343,552.

B. Head Start Financial Status Report

Janet Berberian, Fiscal Compliance Manager, presented the August 31, 2020 Head Start and Early Head Start Financial Status Reports:

HS/EHS	Annual Budget	Expenses	% of Budget
Head Start Basic	\$39,669,844	\$20,811,296	52%
Head Start T&TA	\$390,276	\$48,512	12%
Early Head Start Basic	\$5,751,707	\$3,085,068	54%
Early Head Start T&TA	\$106,922	\$16,027	15%

Berberian notes the August 2020 credit card balance was \$11,903 for Head Start and \$3,405 for Early Head Start.

There was discussion on how Head Start tracks their spending, what will happen to unused funds, and if additional approval be needed to rollover funds. Berberian responds Head Start is planning to spend all the remaining balances by the end of fiscal year. Berberian states the rolling over of funds shouldn't be a big issue as HHS has approved this before. Heinrich also adds to the discussion that a six-month extension is TBA from HHS for year end 2020. HHS also would need a 45-day notice, usually during the month of November, to allow for the rolling of funds into the next fiscal year. Amparo Cid, Finance committee member, suggests getting a written agreement/notice from HHS to verify the rolling over of funds in the case that not all funds are used this fiscal year.

M/S/C – Cid/Robles to accept the Agency and Head Start financial reports presented. All in favor.

6. 2019 TAX RETURN

A. 2019 Tax Return

Rebecca Heinrich, Finance Director, presented the 2019 tax return report. Heinrich reports Kaku & Mersino, LLP prepared return forms: 990, 990-T, 199, 109, and RF-1 on behalf of Fresno EOC to the IRS.

Form 990

5	Total number of individuals employed	1,766
6	Total number of volunteers	3,000
7b	Net unrelated business taxable income	-56,042
12	Total revenue	108,008,352
18	Total expenses	109,095,095
19	Revenue less expenses	-1,086,743
20	Total assets	33,674,532
21	Total liabilities	13,413,907

Line item#5 includes all employees and clients with W-2s. Item#19 has a deficit due to 1) a gym settlement, 2) non cash reserves from HHS, and 3) outstanding loans for small business farmers in notes receivable. Lastly, item#20 and #21 are consistent in their amounts.

New category setup called "Food and Nutrition" which includes: Food Services, WIC, and Food distribution; to better showcase functional expenses in audit. Heinrich notes page 20 identifies key employees and non-employees within the Agency. Page 21 identifies key contractors the agency utilizes. This includes: Sundowner Insulation for solar work, Precision Custom Construction and JL Pieretti for Head Start construction, Geil Enterprises for security and janitorial services, and Turning Point of Central California for housing contracts.

Heinricy notes form 990-T is all based on taxable activities from Food Service program that are unrelated to the agency's work and mission. Additionally, the rolling over of funds from the 2019 taxes will offset taxes due for 2020.

M/S/C – Robles/Cid to accept the Head Start attestation report. All in favor.

7. HHS HEAD START 0-5 MONITORING STATUS UPDATE

A. HHS Head Start 0-5 Monitoring Status Update

Jim Rodriguez, Chief Financial Officer, presented an update on the HHS Head Start 0-5 Monitoring. Rodriguez summarizes the QIP plan was presented earlier to the Finance committee and was then presented and approved by the Board on September 30. A meeting with HHS will be next Tuesday, October 27, 2020 at noon. The individuals included in the meeting will consist of Board Chairs Linda Hayes and Charles Garabedian; Fresno EOC CEO Emilia Reyes and CFO Jim Rodriguez; and HHS representatives Andrea Harvey, Cynthia Yao, and Jeff Arciero. The training scheduled for staff and board of commissioners is postponed to October 27 at 4PM.

Cid inquires if a quorum is needed in the training. Rodriguez states the only requirement for the training is to have the Finance chair and Board chair present and a quorum is not necessary. Although a quorum is not necessary Rodriguez notes having more board members and employees participate in the training will be more helpful towards completing the QIP plan.

8. NON-COMPETITIVE PROCUREMENT

A. Non-Competitive Procurement

Steve Warnes, Assistant Finance Director, presented the Non-competitive procurement report. Warnes brings to the attention of the committee two sole source vendors, Henry Schein for the purchase of Covid-19 Rapid kits and Great Kids for the purchase of curriculum training and materials.

Cid inquires on what type of payments are made to these types of sole source vendors? ACH? Credit card? Warnes responds for these two purchases they will be paid via agency credit card. It is also noted that if purchase exceeds a credit card limit it may be split into more than one transaction and/or credit card. Reyes suggests increasing the limit on the agency credit card because the CARES act funds are being used for these purchases and there are still future large purchases to be made. Warnes states an increase was initiated recently and if another is needed it will be increased subsequently for future purchases.

9. HEALTH INSURANCE REPORT

A. Health Insurance Report

Warnes presented the Health Insurance Report for August 31, 2020. Warnes reported a year-to-date total balance of \$3,184,319 from January 1, 2020 to August 31, 2020, which is a slight increase from January's ending fund balance of \$2,787,832. Warnes also notes there isn't much movement in claims from previous report. The claims paid are slightly below the monthly average in a 12-month period. The enrollment for the health insurance renewal period will open next month for employees to choose their type of plan (high deductible or traditional PPO).

10. VARIANCE REPORTS

A. Variance Reports

Heinricy presented the variance report for Sanctuary and Support Services, which included subprograms: Central Valley Against Human Trafficking, Housing, LGBTQ+, and Shelters.

Garabedian wonders if Covid-19 has increased the need for Sanctuary services. Misty Gattie-Blanco, Sanctuary and Support Services Director, states there has not been any major impact. The pattern for services has remained the same, in waves. Robles also asks if there are any particular services for domestic violence with Covid-19 still in place. Gattie-Blanco notes for CVAHT clients possibly, but it depends on the funding source and situation. This means services provided by Sanctuary is only a small part of the umbrella of services offered by the Marjorie Mason center. What this translates to is having domestic violence services being mainly tied to HUD and human trafficking funds. It is also noted that there is a current MOU between the Agency and Marjorie Mason. Furthermore, it is also noted there is also emergency housing help funded through a different source that can help house one or two families temporarily.

11. OTHER BUSINESS

Next meeting: Monday, November 9, 2020 at 12:00 PM

12. ADJOURNMENT

Meeting adjourned at 12:42 PM.

Respectfully submitted,

Charles Garabedian, Chair

M/S/C –Cid/Robles to adjourn the meeting. All in favor.



FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Finance
Agenda Item #: 5	Officer: Rebecca Heinricy
Subject: Financial Reports	Officer: Jim Rodriguez

Recommended Action

Staff recommends Committee acceptance for full Board consideration of the unaudited consolidated Financial Statements as of September 2020 and the acceptance of the unaudited Financial Status Report for the Head Start 0-5 program as of September 2020.

Background

In accordance with the Agency's bylaws, the Finance Committee shall advise in the preparation and administration of the operating budget and oversee the administration, collection, and disbursement of the financial resources of the organization. Additionally, the Treasurer is to ensure the commissioners understand the financial situation of the organization, which includes ensuring that financial statements for each month are available for each meeting of the Board of Commissioners. September 220 monthly financials for Fresno EOC (consolidated) and for Head Start are provided for review and acceptance.

Fiscal Impact

(A) Agency Statement of Activities and Statement of Financial Position:

As of September 30, 2020, the Agency had preliminary revenue of \$93.4 million, including \$26.7 million of in-kind contributions, and net operating surplus of \$224,660. In comparison, the Agency had revenue of \$95.0 million including in-kind of \$26.5 million as of the corresponding period of the preceding year.

(B) Head Start 0-5 Financial Status Report for the following areas:

- Head Start – Basic;
- Head Start – Training & Technical Assistance (T&TA)
- Early Head Start – Basic;
- Early Head Start – Training & Technical Assistance (T&TA)

The request to carryover funding from 2019 into 2020 was approved by HHS

FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF ACTIVITIES
For The Nine Month Period Ended September 30, 2020 and 2019

	A	B	A - B	C	D	B - D
	BUDGET JAN - DEC 2020	ACTUAL SEPTEMBER 2020	BUDGET BALANCE REMAINING	ACTUAL JAN - DEC 2019	ACTUAL SEPTEMBER 2019	ACTUAL 2020 vs 2019 Differences
REVENUES AND SUPPORT						
GRANT REVENUE	\$ 82,029,680	\$ 49,571,459 60%	\$ 32,458,221	72,958,177	\$ 51,279,402	(1,707,943)
GRANT REVENUE - LENDING CAPITAL	-	438,674	(438,674)	1,780,014	131,700	306,974
CHARGES FOR SERVICES	16,426,275	12,410,852 76%	4,015,423	15,642,372	12,150,106	260,746
OTHER PROGRAM REVENUE	3,536,400	2,355,982 67%	1,180,418	4,312,232	2,708,887	(352,905)
CONTRIBUTIONS	69,685	76,560 110%	(6,875)	327,748	308,617	(232,057)
MISCELLANEOUS INCOME	219,265	91,759 42%	127,506	244,210	289,694	(197,935)
INTEREST & INVESTMENT INCOME	96,000	69,113 72%	26,887	182,609	141,512	(72,399)
AFFILIATE INTEREST INCOME	977,720	709,617 73%	268,103	957,410	630,405	79,212
RENTAL INCOME	1,256,595	955,367 76%	301,228	1,242,500	931,872	23,495
TOTAL CASH REVENUE	\$ 104,611,620	\$ 66,679,383 64%	\$ 37,932,237	\$ 97,647,272	\$ 68,572,195	(1,892,812)
IN KIND REVENUE	\$ 32,991,055	\$ 26,734,709 81%	\$ 6,256,346	36,675,481	\$ 26,477,503	257,206
TOTAL REVENUE & SUPPORT	137,602,675	93,414,092 68%	44,188,583	134,322,753	95,049,698	(1,635,606)
EXPENDITURES						
PERSONNEL COSTS	\$ 66,198,180	\$ 44,082,855 67%	\$22,115,325	59,731,920	\$ 44,334,203	(251,348)
ADMIN SERVICES	5,810,400	3,189,903 55%	2,620,497	5,030,645	3,612,654	(422,751)
PROFESSIONAL SERVICES - AUDIT	103,915	62,880 61%	41,035	95,682	71,814	(8,934)
CONTRACT SERVICES	11,712,675	4,726,502 40%	6,986,173	9,082,693	6,101,676	(1,375,174)
FACILITY COSTS	5,345,730	4,234,539 79%	1,111,191	5,145,268	3,741,729	492,810
TRAVEL, MILEAGE, VEHICLE COSTS	2,691,175	1,269,084 47%	1,422,091	2,903,417	2,081,162	(812,078)
EQUIPMENT COSTS	1,717,700	725,203 42%	992,497	1,568,645	892,132	(166,929)
DEPRECIATION - AGENCY FUNDED	345,000	271,614 79%	73,386	343,291	257,399	14,215
OFFICE EXPENSE	1,877,600	2,037,390 109%	(159,790)	1,804,779	1,400,726	636,664
INSURANCE	804,060	549,144 68%	254,916	761,139	541,975	7,169
PROGRAM SUPPLIES & CLIENT COSTS	7,625,880	5,014,406 66%	2,611,474	6,834,280	5,038,296	(23,890)
INTEREST EXPENSE	145,275	230,756 159%	(85,481)	146,633	78,203	152,553
OTHER COSTS	234,030	60,447 26%	173,583	1,331,511	156,892	(96,445)
TOTAL CASH EXPENDITURES	\$ 104,611,620	\$ 66,454,723 64%	\$ 38,156,897	94,779,903	\$ 68,308,861	(1,854,138)
IN KIND EXPENSES	\$ 32,991,055	\$ 26,734,709 81%	\$ 6,256,346	36,675,481	\$ 26,477,503	257,206
TOTAL EXPENDITURES	137,602,675	93,189,432 68%	44,413,243	131,455,384	94,786,364	(1,596,932)
OPERATING SURPLUS (DEFICIT)	\$ -	\$ 224,660	\$ (224,660)	\$ 2,867,369	\$ 263,334	(38,674)
OTHER INCOME / EXPENSE						
TRANSIT GRANT ASSET DEPRECIATION		(288,812)	288,812	(414,107)	(298,736)	9,924
NET SURPLUS (DEFICIT)	\$ -	\$ (64,152)	64,152	\$ 2,453,262	\$ (35,402)	(28,750)

FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF FINANCIAL POSITION
As of September 30, 2020

	2020	2019	Differences
ASSETS			
CASH & INVESTMENTS	\$ 13,902,301	\$ 11,823,179	\$ 2,079,122
ACCOUNTS RECEIVABLE	8,367,239	7,639,423	727,816
PREPAIDS/DEPOSITS	250,272	205,813	44,459
INVENTORIES	179,569	140,307	39,262
PROPERTY, PLANT & EQUIPMENT	13,964,320	14,744,199	(779,879)
NOTES RECEIVABLE (net)	15,749,631	13,782,719	1,966,912
TOTAL ASSETS	\$ 52,413,332	\$ 48,335,640	\$ 4,077,692
LIABILITIES			
ACCOUNTS PAYABLE	\$ 2,193,134	\$ 1,976,622	\$ 216,512
ACCRUED PAYROLL LIABILITIES	3,009,315	4,040,999	(1,031,684)
DEFERRED REVENUE	439,164	101,249	337,915
NOTES PAYABLE	12,511,649	12,274,209	237,440
HEALTH INSURANCE RESERVE	3,400,334	2,315,775	1,084,559
OTHER LIABILITIES	2,295,127	2,004,865	290,262
TOTAL LIABILITIES	\$ 23,848,723	\$ 22,713,719	\$ 1,135,004
FUND BALANCE			
CURRENT OPERATING EARNINGS (YTD)	\$ 224,660	\$ 263,334	\$ (38,674)
UNRESTRICTED NET ASSETS	15,156,486	12,132,193	3,024,293
REVOLVING LOAN FUND	2,788,196	2,366,895	421,301
INVESTMENT IN GENERAL FIXED ASSETS	10,395,267	10,859,499	(464,232)
TOTAL FUND BALANCE	\$ 28,564,609	\$ 25,621,921	\$ 2,942,688
TOTAL LIABILITIES AND FUND BALANCE	\$ 52,413,332	\$ 48,335,640	\$ 4,077,692

Fresno Economic Opportunities Commission
Head Start/Early Head Start Financial Status
Monthly Report
September 30, 2020

Description	Head Start - Basic				Head Start - T & TA			
	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining
Personnel	\$21,816,613	\$1,442,063	\$12,046,308	\$9,770,305				
Fringe Benefits	7,995,804	\$674,879	5,697,655	2,298,149				
Total Personnel	29,812,417	\$2,116,941	17,743,962	12,068,455				
Travel	10,977	-	15	10,962	-	-	-	-
Equipment*	-	-	-	-	-	-	-	-
Supplies	1,944,238	62,987	901,978	1,042,260	43,156	(0)	4,756	38,400
Contractual	1,196,672	90,333	738,151	458,521	468	(0)	43	425
Facilities / Construction								
Other:								
Food Cost	1,040,745	101,915	796,997	243,748				
Transportation	580,105	2,073	285,539	294,566				
Staff Mileage	219,774	6,530	100,631	119,143				
Field Trips, including Transportation	34,783	-	-	34,783				
Space	748,831	76,436	609,455	139,376				
Utilities / Telephone / Internet	498,258	30,666	281,975	216,283				
Publication/Advertising/Printing	42,168	5,547	30,275	11,893				
Repair/Maintenance Building	471,703	14,864	197,341	274,362				
Repair/Maintenance Equipment	97,900	8,706	17,822	80,078				
Property & Liability Insurance	154,446	13,997	106,128	48,318				
Parent Involvement / CWPC	78,859	68	10,313	68,546				
Other Costs*	36,657	2,333	72,159	(35,502)				
Staff & Parent Training					319,424	22,785	63,114	256,310
Total Direct Charges	\$36,968,533	\$2,533,396	21,892,741	\$15,075,792	\$363,048	22,785	\$67,913	\$295,135
Total Indirect Charges	\$2,701,311	\$190,005	\$1,641,956	\$1,059,355	\$27,228	\$1,708	\$5,093	\$22,135
Total Federal Expenditures	\$39,669,844	\$2,723,401	23,534,697	\$16,135,147	\$390,276	24,493	\$73,006	\$317,270
% of Annual Budget Expended to Date			59%				19%	
Non-Federal Share	\$8,955,825	\$680,850	\$5,883,674	\$3,072,150	\$97,569	\$6,123	\$18,251	\$79,318

Credit Card Expenses: Credit card statement dated 9/1/20 - 9/30/20
September 2020 expenses

Staff Training	\$	9,600	In Great Kids- virtual seminar for Pre schoolers
Staff Training	\$	4,453	Childplus - online training
Staff Training		197	Zoom - In-service meeting
Staff Training Supplies	\$	2,189	American Red Cross- CPR Training
Office Supplies	\$	1,244	Amazon.com-pens, small calculators, tape dispenser, scissors, file boxes, other supplies
Program Supplies - Classroom		299	Target & Walmart - diapers, kids cubes, abc foam shapes,
Contract Services-Facility repair	\$	230	AZUGA - vehicle tracking maintenance support vehicles
	\$	18,212	

Fresno Economic Opportunities Commission
Head Start/Early Head Start Financial Status
Monthly Report
September 30, 2020

Description	Head Start - Duration Start-Up/Operations			
	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining
Personnel	\$0	-	-	\$0
Fringe Benefits	-	-	-	-
Total Personnel	\$0	\$0	\$0	\$0
Travel	-	-	-	-
Equipment*	94,000	-	-	94,000
Supplies	366,376	(0)	6,481	359,895
Contractual	429,400	24,755	73,208	356,192
Facilities / Construction	1,057,160	-	-	1,057,160
Other:				
Food Cost	-	-	-	-
Transportation	-	-	-	-
Staff Mileage	-	-	-	-
Field Trips, including Transportation	-	-	-	-
Space	-	-	-	-
Utilities / Telephone / Internet	-	-	-	-
Publication/Advertising/Printing	-	-	-	-
Repair/Maintenance Building	-	-	-	-
Repair/Maintenance Equipment	-	-	-	-
Property & Liability Insurance	-	-	-	-
Parent Involvement / CWPC	-	-	-	-
Other Costs*	54,700	1,419	6,816	47,884
Staff & Parent Training	-	-	-	-
Total Direct Charges	2,001,636	\$26,173	\$86,505	\$1,915,131
Total Indirect Charges	\$0	\$0	\$0	\$0
Total Federal Expenditures	\$2,001,636	\$26,173	\$86,505	\$1,915,131
% of Annual Budget Expended to Date			4%	
Non-Federal Share	\$500,409	\$0	\$0	\$500,409

Fresno Economic Opportunities Commission
Head Start/Early Head Start Financial Status
Monthly Report
September 30, 2020

Description	Early Head Start - Basic				Early Head Start - T & TA			
	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining
Personnel	\$3,242,979	\$199,633	\$1,984,476	\$1,258,503	\$44,714	\$0	\$0	\$44,714
Fringe Benefits	736,872	\$72,267	691,230	45,642	11,608	\$0	-	11,608
Total Personnel	3,979,851	271,900	2,675,706	1,304,145	56,322	-	-	56,322
Travel	-	-	-	-	-	-	-	-
Equipment*	-	-	-	-	-	-	-	-
Supplies	312,185	13,056	156,063	156,122	1,500	-	-	1,500
Contractual	155,811	8,036	133,404	22,407	128	-	18	110
Facilities / Construction	616,000							
Other:								
Food Cost	10,638	2,167	11,057	(419)				
Transportation	3,371	356	3,265	106				
Staff Mileage	37,680	90	10,023	27,657				
Field Trips, including Transportation	-	-	-	-				
Space	77,171	12,942	107,007	(29,836)				
Utilities / Telephone / Internet	67,717	6,863	59,091	8,626				
Publication/Advertising/Printing	5,640	(0)	4,565	1,075				
Repair/Maintenance Building	77,484	1,881	9,613	67,871				
Repair/Maintenance Equipment	18,150	1,279	1,447	16,703				
Property & Liability Insurance	20,007	1,892	14,375	5,632				
Parent Involvement / CWPC	4,630	(0)	621	4,009				
Other Costs*	7,626	432	4,489	3,137				
Staff & Parent Training					41,512	1,154	16,045	25,467
Total Direct Charges	\$5,393,961	320,894	3,190,725	\$2,203,236	\$99,462	\$1,154	\$16,063	\$83,399
Total Indirect Charges	\$357,746	\$24,067	\$239,304	\$118,442	\$7,460	\$87	\$1,205	\$6,255
Total Federal Expenditures	\$5,751,707	344,961	\$3,430,029	\$2,321,678	\$106,922	\$1,241	\$17,268	\$89,654
% of Annual Budget Expended to Date			60%				16%	
Non-Federal Share	\$1,318,820	\$86,240	\$857,507	\$580,419	\$26,730	\$310	\$4,317	\$22,414

Credit Card Expenses: Credit card statement dated 9/1/20 - 9/30/20	
September 2020 expenses	
Staff Training	504 Childplus & Zoom.com- online training, staff in-service
Office Supplies	240 Amazon.com - office supplies, flash drives, binders, folders
Socialization& Home Visits Supplies	705 Amazon.com- usb headset with headphones, flash drives, other office supplies
Program Supplies - Disposables	759 Target & Costco- bottled water, batteries, storage cabinets, baby bottles, plates, cups, pillows, cleaning supplies, picture frames
Meeting Costs	432 Barnes & Noble.com- Love you forever books in English and Spanish
Contract Services-Facility repair	23 AZUGA - vehicle tracking maintenance support vehicles
	\$ 2,663



FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Finance
Agenda Item #: 6	Officer: Rebecca Heinricy
Subject: Health Insurance Stop Loss Renewal	Officer: Jim Rodriguez

Recommended Action

Staff recommends approval for full Board consideration to obtain stop loss insurance for our health and welfare plan with Voya.

Background

Fresno EOC's self-funded Health and Welfare Plan requires stop loss insurance coverage to pay claims that exceed a certain large dollar amount to not adversely affect the stability of the entire plan. The stop loss deductible is structured so that any charges over the deductible will be paid by the stop loss carrier, not the plan.

Stop Loss History	2021	2020	2019	2018	2017
Premiums	\$1,086,991	\$1,252,052	\$1,040,709	\$852,925	\$817,584
Deductible	\$200,000	\$175,000	\$175,000	\$175,000	\$125,000

At the deductible of \$200,000 (current year is \$175,000) per claimant for an estimated premium of \$1,086,991. Current year's premium is \$1,252,052; this represents a 13% decrease in the premium costs. Policy will be effective January 1, 2021. Additionally, the separate organ transplant insurance policy will renew with an annual premium of \$60,317, which is a 12% increase from the 2020 premium of \$53,853.

Fiscal Impact

Marketing efforts performed by Alliant Employee Benefits were made to multiple carriers. Due to the numerous high dollar claims incurred since 2017. The below table summarizes the various structures and competitive quotes received from the Incumbent carrier, Voya, and Pinnacle RMS. These estimated annual premiums are based upon enrollment at the time the quotes were obtained of: 359 Employee only coverage and 481 Family coverage for a total of 840 plan participants.

Carrier	\$175,000 Deductible	\$190,000 Deductible	\$200,000 Deductible
Voya – 36/12	\$1,265,364	N/A	\$1,086,991
RMS – 24/12	\$1,252,052	\$1,247,765	N/A

While RMS Pinnacle quoted a 24/12 plan that will pay all claims during the contract year that were incurred over the last 24 months, Voya quoted a 36/12 plan that will cover claims going back 36 months that are submitted within 12 months of the initial contract period. This is typical when placing coverage with a new carrier. A 24/12 plan generally provides sufficient coverage of claims.

Fresno Economic Opportunitites Commission

Stop Loss Renewal Options

Specific & Aggregate Premium	Current	Renewal (Initial)	Renewal (Negotiated)	Renewal (Option 1)	Option 1	Option 2
Vendor	Voya	Voya	Voya	Voya	Pinnacle RMS	Pinnacle RMS
Individual Stop Loss						
Line(s) of Coverage	Med & Rx	Med & Rx	Med & Rx	Med & Rx	Med & Rx	Med & Rx
Contract Type	24/12	36/12	36/12	36/12	24/12	24/12
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Terminals	Not included	Not included	Not included	Not included	Not included	Not included
Individual Stop Loss Level	\$175,000	\$175,000	\$175,000	\$200,000	\$175,000	\$190,000
Aggregating Specific Deductible	None	None	None	None	None	None
Lasers:	None	None	None	None	None	None
Rates			NNL + 55% rate cap	NNL + 55% rate cap		
Individual Stop Loss Fees: # EEs						
Employee Only 359	\$59.62	\$70.69	\$66.62	\$57.04	\$53.34	\$48.78
Employee & Family 481	\$151.53	\$175.78	\$165.66	\$141.61	\$172.54	\$158.49
Aggregate Stop Loss Fees:						
Composite 840	\$2.20	\$2.31	\$2.20	\$2.37	\$2.19	\$2.33
Total Annual Premium Combined	\$1,153,650	\$1,342,419	\$1,265,364	\$1,086,991	\$1,247,765	\$1,148,435
Annual Increase/(decrease) - \$	n/a	188,769	111,714	(66,659)	94,115	(5,215)
Annual Increase/(decrease) - %	n/a	16.36%	9.68%	-5.78%	8.16%	-0.45%
Adjustment to modify the Deductible (by carrier)	n/a	n/a	n/a	(178,374)	n/a	(99,330)
# of Claims Covered by Premium Adjustment	n/a	n/a	n/a	7	n/a	7
Disclosure Status	n/a	n/a	FIRM thru 11/25	FIRM thru 11/25	Requires Oct Claims Review	

Transplant Carve Out	Current	Renewal
Vendor	Swiss Re	
Line(s) of Coverage	Organ Transplants	
Contract Type	See Contract	
Annual Maximum	Unlimited	
Terminals	Unlimited	
Individual Stop Loss Level	\$0	
Rates	Current	Renewal
Employee	\$9.33	\$10.45
Employee & Family	\$23.32	\$26.14
Total Annual Premium	\$53,853	\$60,317
Annual Increase/(decrease) - \$	n/a	6,465
Annual Increase/(decrease) - %	n/a	12.00%

** Terminating the OT policy would result in a 6-7% load to the Voya SL rates (Approx. +\$74k to renewal rates)

CURRENT RISK EXPOSURE: Disclosure reporting currently shows 1 potential transplant & 1 initiated transplant notification.

Maximum Aggregate Claims Liability						
Aggregate Stop Loss:	Voya	Voya	Voya	Voya	Pinnacle RMS	Pinnacle RMS
Line(s) of Coverage	Med & Rx	Med & Rx	Med & Rx	Med & Rx	Med & Rx	Med & Rx
Contract Type	24/12	36/12	36/12	36/12	24/12	24/12
Maximum Reimbursement	\$1 million	\$1 million	\$1 million	\$1 million	\$1 million	\$1 million
Run-In Limited to	n/a	n/a	n/a	n/a	\$243,300	\$226,200
Terminals	Not included	Not included	Not included	Not included	Not included	Not included
Margin (Percentage of Expected Claims)	125%	125%	125%	125%	125%	125%
Employee Only 359	\$645.73	\$709.11	\$663.82	\$668.08	\$590.87	\$595.82
Employee & Family 481	\$1,527.74	\$1,672.84	\$1,566.00	\$1,576.04	\$1,510.87	\$1,523.47
840						
Total Annual Aggregate Claims Liability	\$11,599,920	\$12,710,478	\$11,898,689	\$11,974,992	\$11,266,210	\$11,360,261
Annual Increase/(decrease) - \$	n/a	1,110,558	298,768	375,071	(333,711)	(239,659)
Annual Increase/(decrease) - %	n/a	9.57%	2.58%	3.23%	-2.88%	-2.07%

underwriter will waive the run-in limit on the aggregate coverage after receiving a favorable claims report at disclosure time.

Combined Annual Maximum						
Aggregate Claims Liability & Fixed Cost	\$13,341,688	\$14,662,257	\$13,773,413	\$13,671,342	\$13,123,334	\$13,118,056
Annual Increase/(decrease) - \$	n/a	\$1,320,570	\$431,725	\$329,654	-\$218,354	-\$223,632
Annual Increase/(decrease) - %	n/a	9.9%	3.2%	2.5%	-1.6%	-1.7%



FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Head Start
Agenda Item #: 7	Director: Kathleen Shivaprasad
Subject: HHS Head Start 0-5 Monitoring Update	Officer: Jim Rodriguez

Background

The information presented below is intended to keep the Committee apprised on the status of the work performed for the Quality Improvement Plan in response to the receipt of the Focus Area 2 monitoring review report for the Head Start 0-5 program.

U.S. Department of Health and Human Services (HHS) – Administration for Children and Families (ACF) Head Start conducted a follow-up review on the Focus Area 2 monitoring during the week of October 15-18, 2019. A quality improvement plan (QIP) was submitted to HHS for the three noted deficiencies involving the facilities cost associated with the 1900/1920 Mariposa Mall property, commonly referred to as Fresno Executive Plaza (FEP), and the reporting of Federal Interest therein. The three areas cited are internal control, budget, and facility reporting.

Approval of the QIP dated February 14, 2020 was received from the Regional Office in their letter dated February 24, 2020. The initial corrective action period was approved for extension to December 31, 2020.

The following actions have occurred since the QIP was presented in October 2020:

- Hudson, Henderson & Company, the independent auditor for the QIP, providing training for staff and commissioners on October 27.
- Commissioners Hayes & Garabedian as well as Fresno EOC staff, including the CEO & CFO, met with Office of Head Start (OHS) staff to discuss progress on the QIP. OHS staff requested additional clarity on expenses as well as the audit work papers. Both have been submitted to OHS for review.
- Staff have continued to participate in Training and Technical Assistance provided by OHS's contracted firm.

The QIP status update will be submitted to Region IX on November 14, 2020.

FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Finance
Agenda Item #: 8	Officer: Rebecca Heinricy
Subject: Non-Competitive Procurement	Officer: Jim Rodriguez

Background

The information presented below is intended to keep the Committee apprised on any procurements made through a non-competitive procurement process.

In accordance with the Accounting Policies and Procedures Manual, Noncompetitive Procurements are “special purchasing circumstances, in which competitive bids are not obtained. Noncompetitive procurement (purchases and contracts) are only permissible in the following circumstances (2 CFR 200.320 [f]):

- An emergency exists that does not permit delay,
- Only one source of supply is available,
- If the awarding agency expressly authorizes noncompetitive proposals in response to a written request from the Agency,
- Or after solicitation of a number of sources, competition is determined to be inadequate.

The key requirement for the use of noncompetitive procurement is that the other methods of procurement are not feasible and one of the above circumstances exists.” Additionally, a report on the non-competitive procurement awards is to be made to the Agency’s Board of Commissioners.

Vendor	Purpose	Amount	Justification
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No procurements made this month need to be reported.



FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Finance
Agenda Item #: 9	Officer: Rebecca Heinricy
Subject: Health Insurance Report	Officer: Jim Rodriguez

Background

The information presented below is intended to keep the Committee apprised on the financial status of the Agency's health insurance plan.

As of September 30, 2020, the health insurance reserve is at \$3.4 million, which covers approximately 3.8 months of average expenditures. To date, contributions from programs and employees for 2020 total \$8,804,028 while the Fund paid out \$8,158,039 in expenses. The health insurance report is included for reference.

Changes to the health insurance plan in 2018 through 2020 include:

- Effective January 2018: 10% increase in Employer and Employee premiums, increase in select co-pays, and a discount for completion of a wellness visit.
- Effective January 2019: 5% increases in Employer and Employee premiums, and increase the coverage of preventive dental procedures from 80% to 100%.
- Effective January 2020: 4% overall increase in Employer premiums and 22% overall increase in Employee premiums. Wellness plan now has the same annual deductible but will have a 25% discounted employee premium. The employee + child and employee + children tiers were consolidated.

The following presents a sample of the 2020 monthly health insurance premium tier rates. There are additional tiers depending on type of coverage selected.

	Agency	Employee (Discounted)	Total Premium
Employee Only	\$ 590	\$ 90	\$ 680
Family	\$ 1,220	\$ 210	\$ 1,430

FRESNO EOC
HEALTH INSURANCE FUND REPORT
 THROUGH SEPTEMBER 30, 2020

	2020									2019				
	January	February	March	April	May	June	July	August	September	YTD totals Jan - Sep	Mo. Avg. Prev 12 mos	YTD totals Jan - Sep	Annual Jan - Dec	Annual Mo. Avg Jan - Dec
Beginning Fund Balance	2,754,344	2,787,832	3,259,086	3,478,571	3,148,975	3,456,596	3,628,264	3,256,765	3,184,319					
<u>Income</u>														
Agency Contributions	764,269	926,323	936,853	910,416	898,686	892,243	599,411	642,330	891,077	7,461,608	818,097	7,195,653	9,551,207	795,934
Additional Agency Contr.	0	0	0	0	0	0	0	0	0	0	8,767	170,532	266,968	22,247
Employee Contributions	169,247	254,529	172,963	171,034	85,018	80,986	78,805	162,949	166,889	1,342,420	147,530	1,205,919	1,633,863	136,155
Total Income	933,516	1,180,852	1,109,816	1,081,450	983,704	973,229	678,216	805,279	1,057,966	8,804,028	974,394	8,572,103	11,452,038	954,336
<u>Expenses</u>														
Health Claims Paid	522,608	294,706	439,030	937,674	284,680	500,940	601,294	496,407	416,945	4,494,284	512,638	5,553,596	7,210,969	600,914
Dental Claims Paid	40,011	64,322	54,514	47,659	23,110	16,495	75,113	56,725	45,553	423,502	48,624	544,401	704,388	58,699
Prescriptions Paid	199,983	169,145	217,113	247,094	191,765	100,191	193,702	146,273	201,478	1,666,744	200,853	1,812,116	2,555,607	212,967
Vision Claims Paid	10,011	11,476	7,284	5,770	4,032	6,968	8,980	8,213	9,022	71,756	7,964	91,489	115,300	9,608
Stop Loss Premiums	112,415	113,050	114,712	115,206	114,710	114,673	113,965	113,683	112,549	1,024,963	111,097	937,548	1,245,746	103,812
Stop Loss Claims	(41,994)	0	0	0	0	0	0	0	0	(41,994)	(43,989)	(399,356)	(885,228)	(73,769)
Life Insurance Premiums	14,653	14,707	14,787	14,751	14,769	14,563	14,479	14,231	14,465	131,405	14,568	130,558	173,967	14,497
Pinnacle	14,626	14,610	15,207	15,224	14,901	14,867	14,802	14,769	14,621	133,627	14,694	128,621	171,324	14,277
Blue Cross	15,155	15,156	15,715	15,671	15,599	15,564	15,492	15,474	15,349	139,175	15,290	133,055	177,354	14,780
Benefits Consultant	7,722	7,722	7,722	7,721	7,749	7,750	7,750	7,768	7,769	69,673	9,035	116,250	155,000	12,917
Employee Assist. Program	1,876	1,877	1,876	1,877	1,876	1,877	1,877	1,876	1,877	16,889	1,877	16,882	22,511	1,876
Preferred Chiropractors	783	783	787	787	784	782	778	778	771	7,033	713	4,613	6,139	512
Other Expenses	2,179	2,044	1,584	1,613	2,108	1,671	1,483	1,528	1,552	15,762	1,798	20,090	25,900	2,158
ACA Fees	0	0	0	0	0	5,220	0	0	0	5,220	475	20,807	20,807	1,734
Total Expenses	900,028	709,598	890,331	1,411,047	676,083	801,561	1,049,715	877,725	841,951	8,158,039	895,636	9,110,671	11,699,785	974,982
Current Fund Activity (net)	33,488	471,254	219,485	(329,597)	307,621	171,668	(371,499)	(72,446)	216,015	645,990	78,759	(538,567)	(247,747)	(20,646)
Ending Fund Balance	2,787,832	3,259,086	3,478,571	3,148,975	3,456,596	3,628,264	3,256,765	3,184,319	3,400,334	3,400,334				
<u>Enrollment</u>														
Employee only-Traditional	349	347	338	333	330	326	333	326	325		334		314	
High-Deduct	44	40	40	42	43	44	40	45	45		43		23	
Family coverage-Traditional	448	452	465	469	468	469	468	464	458		462		502	
High-Deduct	29	31	31	31	30	30	30	29	29		30		11	
Dental coverage only	39	38	35	35	37	37	37	36	34		36		41	
Temp/On Call Plan	0	0	0	0	0	0	0	0	0		0		1	
Total employees enrolled	909	908	909	910	908	906	908	900	891		905		893	
Total dependants covered														
Average contributions per employee	1,027	1,300	1,221	1,188	1,083	1,074	747	895	1,187		1,076		1,069	
Average expenses per employee	990	781	979	1,551	745	885	1,156	975	945		989		1,092	

Estimated # months funded: 3.8

FINANCE COMMITTEE MEETING

Date: November 9, 2020	Program: Finance
Agenda Item #: 10	Officer: Rebecca Heinrich
Subject: Investment Report	Officer: Jim Rodriguez

Background

The information presented below is intended to keep the Committee apprised on the status of the Agency's investment accounts.

As of September 30, 2020, the Agency holds these investments to 1> maintain cash funding items such as the health insurance reserve and accrued vacation liability and 2> provide pledged collateral from Fresno EOC for Access Plus Capital's \$700,000 loan from Citibank.

	Wells Fargo	Citibank (pledged)	Total
Cash & Cash Equivalents	\$ 61,838	\$ 261,134	\$ 322,972
Corporate Fixed Income	279,798	-	279,798
Certificates of Deposit (CD)	3,041,412	512,440	3,553,852
Stocks	14,888	-	14,888
Total	\$ 3,397,937	\$ 773,573	\$ 4,171,510
Minus unrealized gains on CDs	108,336	12,440	120,775
General Ledger balance	\$ 3,289,601	\$ 761,134	\$ 4,050,735

Total annual interest earned on these fixed income investments is \$88,011 providing an average rate of 2.40%. Interest rates received on the Corporate Fixed Income investments range between 3.5% and 4.5%. These are long term holdings with maturity dates after 2022. The Certificates of Deposit have interest rates between 0.1% and 3.5%; and a tiered maturity date structure to provide for both shorter term maturities and longer investments past 2023.

The funds at Self-Help Federal Credit Union are returning 1.26% interest.



FINANCE COMMITTEE MEETING

Date: October 22, 2020	Program: LCC, Admin, Food Services
Agenda Item #: 11	Director: Rebecca Heinricy
Subject: Variance Report	Officer: Jim Rodriguez

Background

The information presented below is intended to keep the Committee apprised on the fiscal status of selected program(s) within the Agency that are routinely shared with Program Directors and Executive staff.

Next month, December 2020, the prepared financial analysis reports will be presented:

- Local Conservation Corps
- Administration
- Food Services