

**I. Roll Call**

Commissioner Merz called the meeting to order at 2:40 pm.

**Present:** Lynn Merz, Linda Asato, Maria Su and Laurel Kloomok

**II. General Public Comment**

There was no general public comment.

**III. Discussion and possible action to approve the January 27, 2016 and April 27, 2016 Fiscal Committee meeting minutes**

There was no further discussion and a motion to approve the January 27, 2016 and April 27, 2016 meeting minutes was made by Commissioner Asato and seconded by Commissioner Su.

The motion carried unanimously and was approved at 2:43 pm.

There was no public comment.

**IV. Discussion and possible action to approve the revised departmental budgeting policy and procedure**

Staff presented a revised First 5 San Francisco department budgeting policy and procedure. This new policy and procedure will do the following:

- Align the budget with the strategic plan and audited financial report.
- Create budgets that require inclusion of estimated use of prior year savings.
- Authorize staff and the Controller's Office to officially close the accounting books annually rather than allowing funds to rollover year after year.
- Provide a detailed timeline for staff and Commissioners.

Commissioners discussed the following:

- Clarification on annual interdepartmental work orders.
- No carryforwards are allowed on grantees' annual contract budget.
- City and county budget procedures are followed.
- Final fiduciary responsibility is at the Commission level.

A motion to move the revised departmental budgeting policy and procedure forward to the full Commission was made by Commissioner Su and seconded by Commissioner Asato.

The motion carried unanimously and was approved at 2:59 pm.

There was no public comment.

**V. Discussion and possible action to approve closing out the unspent budget from prior years accumulated through the end of fiscal year 2014-15 and 2015-16**

The City and County of San Francisco is preparing to update its financial systems on July 1, 2017. To prepare for the migration to the new system, each department will need to clean its accounting data. The Controller's Office requested that First 5 San Francisco obtain the Commission's approval and authorization to close out the prior years' unspent budgets that were accumulated through fiscal year 2014-15 and 2015-16.

Commissioners discussed the following:

- Clarification of the sample reports provided.
- Clarification of the internal accounting process.
- Distinction between the Prop 10 and Prop H funds.

A motion to move the closing of the unspent budget from prior years accumulated through the end of fiscal year 2014-15 and 2015-16 forward to the full Commission was made by Commissioner Su and seconded by Commissioner Asato.

The motion carried unanimously and was approved at 3:11 pm.

There was no public comment.

**VI. Discussion and possible action to approve a personal service contract up to a nine year total of \$315,000, \$210,000 for July 1, 2016 through November 30, 2021 with the possibility of \$105,000 for an additional three years through November 30, 2024, to Macias Gini & O'Connell LLP for audit services, pending funding availability and performance**

Staff presented a new contract with Macias Gini & O'Connell (MGO) to provide annual audit services. MGO was selected through the Controller's prequalified auditor list RFQ. This new contract is for six years with an average annual contract amount of \$35,000. The full amount for nine years is \$315,000. The grant term is from fiscal year 2015-16 through 2020-21 renewable through fiscal year 2023-24.

Commissioners discussed the following:

- Annual independent audits are required.
- Clarification on the grant terms, contract amounts, and costs.
- Clarification on the audit services provided.
- Difference between the work conducted in 2014-15 compared to 2015-16.

A motion to approve a personal service contract for up to a nine year total of \$315,000 to Macias Gini & O'Connell LLP was made by Commissioner Su and seconded by Commissioner Asato.

The motion carried unanimously and was approved at 3:21 pm.

This item will be placed on the full Commission's consent calendar.

There was no public comment.

**VII. Discussion and possible action to approve the RFQ for fiscal services for training and technical assistance to early care and educator providers participating in the county's Quality Rating and Improvement System.**

Staff presented the RFQ for fiscal services for training and technical assistance to early care and educator providers participating in the county's Quality Rating and Improvement System (QRIS). The agency selected will process payments for the QRIS work.

Commissioners discussed the following:

- End of the old PFA fiscal services contract.
- Need to go out to RFQ for a new contract starting in fiscal year 2016-17.
- The fiscal fee is \$50,000.
- The programmatic side will cover the work for state preschool, Prop 10 IMPACT, and the Office of Early Care and Education's work order.
- Distinction between a personal service contract and a grant agreement for a fiscal intermediary agent.

A motion to approve the RFQ for fiscal services for training and technical assistance to early care and educator providers participating in the county's Quality Rating and Improvement System was made by Commissioner Su and seconded by Commissioner Asato.

The motion carried unanimously and was approved at 3:34 pm.

There was no public comment.

### **VIII. Executive Director Update**

There was no Executive Director report.

There was no public comment

### **IX. ADJOURNMENT**

Meeting was adjourned at 3:35 pm.