



MINUTES October 11, 2012

1. Call to Order

This meeting of the Imperial County Children and Families First Commission was called to order at 1:19 p.m. by Mrs. Sigmond, Commission Chair. The meeting was held at the County Administration Building, Room C/D, located at 940 W. Main Street in El Centro, California.

2. Roll Call

Commissioners Present

James Semmes
Supervisor Ray Castillo
Chief Miguel Colon, Jr.
Robin Hodgkin
Joong Kim
Karla Sigmond

Commissioners Absent

Yurii Camacho
Barbara Deol
Becky Green

3. Public Comment

No public comment was made.

4. Consent Calendar Items

Commissioners considered approval of the consent agenda items for the meeting of October 11, 2012. Commissioner Semmes moved to approve the consent calendar items as presented; the motion was seconded by Commissioner Castillo and it was approved by a unanimous vote of the members present.

5. Presentation: Imperial Valley Regional Occupational Program, Project Nenes

Ms. Wendy Prewett, IVROP Nenes Project Coordinator, gave a brief presentation of Project Nenes, which has been funded by the Commission since 2004. The Project offers services to children and their parents by offering in-home instruction using the Home Instruction for Parents of Preschool Youngsters (HIPPPY) Program model. In addition to offering the HIPPPY program, the Project also provides an assessment of all HIPPPY children using the Ages and Stages Questionnaire in order to work with parents to help in identifying any developmental delays. The HIPPPY curriculum is designed over a 30 week period where six parent home visitors, who were also previous HIPPPY parents, visit the child's home one time per week and facilitate the curriculum to the parents. The Project recruits children 3-5 years old whose families are low to middle income; who usually don't qualify for preschool services; are stay-at-home parents; and who are usually not linked to resources for their families. The Project is currently serving 100 families county-wide. Ms. Prewett further advises that the HIPPPY curriculum is very challenging, it's structured and high-demanding for parents. Parents also participate in monthly parent group meetings; the Project connects them to community resources and events. Most parents who begin the Year 3 curriculum usually continue with Year 4 and Year 5.

6. Administrative Report provided by Julio C. Rodriguez, Director

6a. **Annual Audit Report for Fiscal Year 2011-2012:** Mr. Rodriguez stated that as per the bid for Audit services Mr. Roger Tubach was selected to conduct the Commission's audit for Fiscal Year 2011-12.; Mr. Tubach was introduced to the Commission and provided a summary of the audit. The following points were highlighted:

- Management felt that the information provided on bullets 1 and 2 under the Management's Discussion and Analysis (page 5) was appropriate information for description of the Commission as it relates to funding from the State and funding distributed at the county-level.
- Management made substantial changes to the overview of the financial statements; not shown in last year's audit report. This was done in order to be in compliance with the Government Accounting Standards Board (GASB) 54 requirements, to meet the criteria for Government Auditing Standards, and California Children and Families Act. Most changes to the financial statements were made on Pages 9 through 12.
- Net assets reported as of the end of June 30, 2012 were \$6,343,232.
- GASB54 compliance required that the Fund Balance be broken down under specific categories.
- The Committed fund balance was \$2,353,688. This amount is designated for Commission approved programs (RFP) including the School Readiness Program.
- The Assigned fund balance was \$2,571,582. This amount represents amounts pending to be paid to contracts that the Commission previously approved, encumbrances, and such. It also includes funds appropriated for program sustainability.
- The Unassigned fund balance was \$1,417,962. These are monies which have no allocation.
- There was no Restricted fund balance during this fiscal year. AB 99 was an example of what constitutes a restricted fund.
- The Statement of Revenues, Expenditures and Changes in Fund Balances (page 18) provides a comparison of budgeted amounts; at the end of June 30, 2012 balances were favorable in all categories. This means that the Commission had less expenditures and received more revenue.
- Management also provided a Report on Internal Controls over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, page 19.
- Management noted that in reviewing payments to staff it came to his attention that staff is treated as independent contractors and not employees. Management consulted with a firm in conjunction with this audit who made a recommendation that Commission seek legal counsel to determine whether or not staff should remain as independent contractors or employees of the Commission.
- Management identified liabilities that may arise based on interpretation which may be made by the appropriate regulating agencies.

Further discussion continued as to the determination of the entity. Some Prop 10 Commissions are organized independently, other Commissions fall under their respective county, and few are formed as quasi Commissions. Therefore, staff is either a direct employee of the Commission, of the county or serve as independent contractors. Commissioners agree to consult with legal counsel as to the interpretation of staff as either being independent contractors or employees; identify whether certain individuals qualify as being independent contractors. Commissioners do not feel, however, that the auditor should identify this issue as being non-compliant with the internal controls of the agency; this should be a recommendation made in the letter addressed to management so that they can resolve this issue. Further discussion continued regarding IRS factors and the voluntary classification program.

A motion was made by Commissioner Hodgkin and it was seconded by Commissioner Semmes that the audit be submitted on a timely basis, that legal counsel be sought to provide a response as to the question of independent contractors versus employees of the Commission, that if legal counsel submits its response stating that this is not a finding that it be removed from the audit. Mr. Tubach is suggesting that if there is sufficient and appropriate evidence documenting status of staff serving as independent contractors as provided by legal counsel he will remove the finding. The motion passed with all members in favor. Mr. Rodriguez was instructed to seek legal review, to provide an appropriate response to the auditor, and to update Commissioners as soon as possible.

- 6b. **Professional Advancement for Childhood Educators Stipend (PACES) Program**: Mr. Rodriguez is asking Commissioners to table this item based on the fact that they will be recommending changes to the Professional Advancement for Childhood Educators Stipend (PACES) program which is based on criteria that is being developed for the Child Signature Program; First 5 California is currently working on establishing components for the Child Signature Program. It was the general consensus of the Commission to table this item until December.
- 6c. **Strategic Plan Committee**: It was the advice of legal counsel that the Commission can create a temporary advisory committee (not a standing committee) composed of less than five members (less than half a quorum of membership) in order to make recommendations to the Strategic Plan, and that this advisory committee recommend changes that should be approved by the membership at a Regular Meeting of the Commission. Commissioner Sigmond recommended establishing a temporary committee in order to review and propose changes to the Commission's Strategic Plan; however, she felt that all Commissioners should have the opportunity to decide whether they wish to participate or not (she noted that not all Commissioners were present). Further discussion continued as to the timeliness of establishing the advisory committee; Commissioners felt that they should not delay any further. Commissioner Semmes recommended that the Chairperson should appoint the membership. A motion was made by Commissioner Hodgkin and it was seconded by Commissioner Semmes that the Chairperson send an email to all Commissioners for the purpose of establishing a Temporary Advisory Committee composed of less than 5 members, that individuals must respond by a certain date proposed by the Chairperson, that the Chairperson appoint the membership, and that these members will compose the Temporary Advisory Committee for review of the Imperial County Children and Families First Commission's Strategic Plan. The motion passed with all members in favor. Commissioner Sigmond (Chairperson) responded that she will send a request via email to all Commissioners as soon as possible.
- 6d. **Annual Report for FY 2011-2012 Update**: Mr. Rodriguez advised that the Annual Report for FY 2011-12 must be submitted by October 31, 2012 to the Institute for Social Research, the state-wide evaluation team retained this year by First 5 California using a web-based program. Annual Report information will consist of demographic data, narrative and financial information related to Family Functioning, Child Health, Early Care and Education and Systems Change Efforts which is drawn down from quarterly reports submitted by the Commission's funded agencies as well as information entered into the Proposition 10 Evaluation Data System (PEDS). Staff is currently working on meeting the deadline.
- 6e. **Commission Updates**: Mr. Rodriguez informed Commissioners that Ms. Elizabeth Zumaya has been brought on board as the Early Learning Specialist for the newly funded Child Signature Program. Ms. Zumaya will use the assessment tool which has been developed by First 5 California, and she will be working with 30 centers throughout the county to meet certain standards.

Dr. Galindo provided a schedule of the upcoming School Readiness Community and Health Resources Health Fairs and invited Commissioners to attend the events; 5 to 6 events are being scheduled with the participating School Readiness schools.

A summary of funds which have been awarded to local agencies through the Community Outreach Contribution and Support Application was provided. A total of \$20,400.00 was provided to 13 agencies, offering 14 projects during the previous fiscal year.

The Commission office relocated to the new address located at 1240 State Street as of the 1st of October.

7. Commissioner Comments

Commissioner Semmes advised Mr. Rodriguez to consider using the services of County Counsel, Mike Rood, in regards to the issue of the Independent Contractors.

Commissioner Hodgkin announced that the Public Health Department will once again be offering Flu shots. Shots are available at the Public Health Department and throughout the county, walk-ins are welcome, a Drive-Thru event is being scheduled for October 27th.

8. Adjournment

Commissioner Castillo moved to adjourn the meeting, seconded by Commissioner Semmes and approved by a unanimous vote of the members present. Meeting adjourned at 3:00 pm.