



## FIRST 5 ALAMEDA COUNTY EXECUTIVE COMMITTEE MEETING AGENDA

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Thursday, February 16, 2023

Members of the public may access this meeting via:

Zoom Meeting: <https://zoom.us/j/85826135506>

Meeting ID: 858 2613 5506

**2:30 PM – 3:30 PM**

**Commissioners:**

*Chair:* Renee Herzfeld, *Vice Chair:* Cecilia Oregón, Scott Coffin

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- 1. Public Comment**
- 2. Staff Announcements**
- 3. Approval of Minutes from December 8, 2022**  
Recommended Action: Approve Minutes from December 8, 2022
- 4. FY 2022-23 Contract Authorization**  
Recommended Action: Approve FY 2022-23 Contract Authorization
- 5. FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications**  
Recommended Action: Recommend to the Commission the approval of the FY 2022-23 Mid-Year Budget Report and Proposed Budget Modifications
- 6. FY 2022-23 Mid-Year Investment Report**  
Recommended Action: Recommend to the Commission the approval of the FY 2022-23 Mid-Year Investment Report
- 7. Classification and Compensation Recommendations**  
Recommended Action: Approve Classification and Compensation Recommendations
- 8. Adjournment**

**Information about access:**

Please contact Julia Otani at [julia.otani@first5alameda.org](mailto:julia.otani@first5alameda.org) or (510) 227- 6987 3 business days in advance if you need special assistance or translation/interpretation support so we can make reasonable arrangements to ensure accessibility. We will swiftly resolve any requests for accommodation to resolve any doubt whatsoever in favor of accessibility.



**First 5 Alameda County Executive Committee Meeting  
December 8, 2022, 9:15 AM – 10:30 AM  
Zoom Webinar Meeting ID: 997 4417 6627**

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregón, Scott Coffin

First 5 Staff Present: Kristin Spanos, Brittney Frye, Christine Hom, Julia Otani

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>CALL TO ORDER</b>			
C. Oregón	The meeting was called to order by Vice Chair Oregón who gavelled in at 9:18 AM and stated that the meeting was being recorded. Commissioners Herzfeld, Oregón and Coffin stated their names to indicate they were present for the meeting.	None	None
<b>1. PUBLIC COMMENT</b>			
C. Oregón	There was no Public Comment.	None	None
<b>2. STAFF ANNOUNCEMENTS</b>			
K. Spanos	<a href="#">[Attachment]</a> Ms. Spanos presented the General Staff Announcements. <b>A. General Staff Announcements</b> <ul style="list-style-type: none"> <li>Ms. Spanos provided an overview of the Agency Update: Transformative Change slides. Commissioner Coffin requested a high level outline of the operational plan to scale in the next 12-24 months showing the areas of risk and areas of concern around sustainability.</li> </ul>	None	None
<b>3. ADOPT THE 2023 EXECUTIVE COMMITTEE FINAL CALENDAR</b>			
C. Oregón	<a href="#">[Attachment]</a> Vice Chair Oregón asked if there was any public comment before taking a vote to adopt. Vice Chair Oregón facilitated the vote to adopt the 2023 Executive Committee Final Calendar.	Motion: R. Herzfeld Second: S. Coffin No Abstentions. Motion passed.	None
<b>4. APPROVAL OF MINUTES FROM AUGUST 11, 2022</b>			
C. Oregón	<a href="#">[Attachment]</a> Vice Chair Oregón asked if there was any public comment before taking a vote to approve the minutes. Vice Chair Oregón facilitated the vote to approve the August 11, 2022 Executive Committee Meeting minutes.	Motion: S. Coffin Second: R. Herzfeld No Abstentions. Motion passed.	None
<b>5. APPROVAL OF MINUTES FROM NOVEMBER 2, 2022</b>			
C. Oregón	<a href="#">[Attachment]</a> Vice Chair Oregón asked if there was any public comment before taking a vote to approve the minutes. Vice Chair Oregón facilitated the vote to approve the November 2, 2022 Executive Committee Meeting minutes.	Motion: R. Herzfeld Second: S. Coffin No Abstentions. Motion passed.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>6. RECEIVE AN UPDATE ON AB 2449 EFFECTIVE JANUARY 1, 2023</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom provided an update on AB 2449 Effective January 1, 2023 and shared that James Harrison agency legal counsel would provide an overview of the legislative changes at the upcoming Commission meeting.	None	None
<b>7. APPROVAL OF REVISIONS TO EMPLOYEE HANDBOOK</b>			
B. Frye	<a href="#">[Attachment]</a> Ms. Frye presented the Revisions to the Employee Handbook. Vice Chair Oregón asked if there was any public comment before taking a vote to approve. Vice Chair Oregón facilitated the vote to approve the Revisions to the Employee Handbook.	Motion: R. Herzfeld Second: S.Coffin No Abstentions. Motion passed.	None
<b>8. COST OF LIVING ADJUSTMENT RECOMMENDATION</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the Cost of Living Adjustment Recommendation. Vice Chair Oregón asked if there was any public comment before taking a vote to recommend. Vice Chair Oregón facilitated the vote to recommend the Cost of Living Adjustment Recommendation be brought to the full Commission for final review and approval.	Motion: S. Coffin Second: R. Herzfeld No Abstentions. Motion passed.	The Cost of Living Adjustment Recommendation will be brought to the full Commission for final review and approval.
<b>9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - CLOSED SESSION (HELD PURSUANT TO GOV. CODE §54957)</b>			
C. Oregón	<a href="#">[Attachment]</a> Vice Chair Oregón announced that the Executive Committee would move to closed session. The recording of the meeting was paused at 10:08 AM.	None	None
<b>10. REPORT ON ANY ACTION TAKEN IN CLOSED SESSION</b>			
C. Oregón	Vice Chair Oregón reconvened the open session at 10:59 AM. Vice Chair Oregón stated that the Executive Committee met to review the CEO performance evaluation and stated they would be meeting again in the future.	None	None
<b>11. ADJOURNMENT</b>			
C. Oregón	Vice Chair Oregón gaveled out and adjourned the meeting at 10:59AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



**To:** First 5 Alameda County Executive Committee  
**From:** Christine Hom, Chief Operating Officer  
**Date:** February 16, 2023  
**Subject:** FY 2022-23 Contract Authorization

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#### REQUESTED ACTION

To approve the following contract authorization.

#### BACKGROUND

Per our Financial Policies, Section VII. Purchasing and Contracting, the Executive Committee must approve contract/award amounts from \$150,000 - \$300,000 in aggregate. The following award requires specific authorization from the Executive Committee.

#### RedCar IT Solutions – \$37,500

First 5 Alameda County is requesting approval of a sole source FY 2022-23 contract amendment for \$37,500 with RedCar IT Solutions. This amendment will support the buildout of the Ages & Stages Questionnaire (ASQ) and Ages & Stages Questionnaire Social Emotional (ASQ-SE) tools in the Pathways data system and the buildout of an XML file transfer process as part of the new ACERA employee transmittal project. RedCar IT Solutions currently has a FY 2022-23 \$168,000 contract to provide maintenance and operations support activities for First 5's ECChange and Pathways data systems. The addition of \$37,500 brings the FY 2022-23 aggregate contract amount to \$205,500 for which Executive Committee approval is needed.

Fiscal Impact: Funding is budgeted and provided by Prop 10.

Action requested: Approve an aggregate FY 2022-23 award amount of \$205,500 for RedCar IT Solutions.

#### RECOMMENDATION

That the Executive Committee approve the contract authorization.

Submitted by:

DocuSigned by:  
*Christine Hom*  
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Christine Hom  
Chief Operating Officer

Reviewed by:

DocuSigned by:  
*Kristin Spanos*  
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Kristin Spanos  
Chief Executive Officer



**To:** First 5 Alameda County Executive Committee

**From:** Kristin Spanos, Chief Executive Officer  
Christine Hom, Chief Operating Officer  
Maria Canteros, Finance Administrator

**Date:** February 16, 2023

**Subject:** FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications

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#### REQUESTED ACTION

To review and provide guidance on the FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications in preparation for presentation to the Commission.

#### BACKGROUND: FY 2022-23 MID-YEAR FINANCIAL REPORT, JULY 1, 2022-DECEMBER 31, 2022

This narrative, and the attached statements, report Revenues and Expenses for the period July 1 – December 31, 2022. At the end of December, 50% of the fiscal year was complete. A detailed description of revenue and expenses is listed below.

#### Revenue

As of December 31st, total revenue received was \$6.5 million, or 27% of the revenue projection for the current fiscal year compared to 29% last year. Of this amount:

- Tobacco Tax receipts of approximately \$3.1m (of \$12.5m budgeted) or 25% was received for the first six months of the fiscal year. Proposition 10 revenues are typically received 2 months in arrears consistent with prior year's trends.
- Other First 5 income includes \$136,794 (of \$1.3m budgeted) or 10% of funding received. Funding consists of grant reimbursements from First 5 California IMPACT 2020 and Children's Council of San Francisco (First 5 San Francisco/Hub) reimbursements based on expenses incurred during the period.
- As of December 31st, \$1.1m (of \$3.8m budgeted) or 28% of Interagency Income had been received from contract reimbursements from Alameda County Public Health Department (Help Me Grow Linkage Line contract and Perinatal Health Outreach Services contract), Alameda County Health Care Services Agency (Fathers Corp program support), Alameda County Social Services Agency (Workforce Pilot, Navigation and HMG support), Alameda County Office of Education (QRIS Block Grant, Inclusive ELC grant), California Department of Social Services (QCC QRIS Block Grant) and California Department of Education (Preschool Development Grant).

- Grant funding of \$1.9m (of \$875,473 budgeted) or 225% was received from Sunlight Giving for general support, from Alameda Alliance for Health to support the Integrated Pediatric Care Management project, from Tipping Point to support the evaluation of Alameda County Early Childhood CalWORKs Apprenticeship Program, and from Stupski Foundation to support the Pediatric Care Coordination Director.
- New revenue not included in the original budget has been received from Child Family and Community Services, Inc. (CFCS) who selected F5AC to receive its remaining financial assets as it winds up its operations and dissolves. Activities funded by this source are budgeted in Parent Partnership and Operational Support and included in the proposed mid-year budget revision.
- MAA invoicing for FY 2021-22 expenditures is in process and reimbursements are expected later this calendar year. MAA revenue is budgeted at \$2m for FY 2022-23.

### **Expenses**

At \$7.7m, total Expenditures for the first six months were 32% of the budgeted amount of \$24.3m. Personnel costs are at 41% of the budgeted amount and include budgeted hiring to support program work in the remaining fiscal year. Contracts and grants expenses are at \$1.9m or 18% of the budget. Invoicing for first and second quarter contract payments are currently underway and will be reflected in third quarter expenditures. Consistent with prior year practice, the majority of contracts and professional services contract expenses are paid in the second half of the fiscal year due to the timing of when reporting and invoices are received.

Program operating costs are at 19% of the budget; expenses are incurred at different times of the year based on various program factors. Administrative costs for the 6-month period are at 6.98%. We anticipate experiencing a greater rate of budgeted spending through the end of the fiscal year. Infrastructure cost spending is closely in line with the budget for the 6-month mark and is comprised primarily of agency-wide administrative expenses including insurance premium payments and office operating costs.

### **Summary**

Total receipt of revenues is on the lower end at the mid-year primarily due to the timing of monies to be received from the State Controller's Office for Proposition 10 and Proposition 56 revenue payments and revenues due to be received from other First 5 Income. Expenses incurred are also lower at the mid-year mark as has always been the case in previous years and will change as the year progresses and expense line items are expected to trend closer to budget projections by year-end.

### **Background: Proposed FY 2022-23 Budget Modifications**

The operating budget for FY 2022-23 was adopted by the Commission in June 2022. As in prior years, First 5 Alameda County staff submit mid-year proposals to modify the adopted budget to address material changes in revenue, seek approval for unanticipated expenses that may have occurred and make necessary transfers and adjustments to reflect changes to program goals since the adoption of the original budget.

### **Revenue and Available Funds**

The FY 2022-23 adopted budget projects revenue and available funding totaling \$24,333,171. The proposed budget modification changes this amount to \$28,849,697, a net increase of \$4,516,526.

**AGENDA ITEM 5**

The primary changes in revenue for this fiscal year are increased funding from the Alameda Alliance for Health, budgeting for a portion of the new funding award from the City of Oakland Measure AA Tax to support the Children’s Health Initiative program planning, hiring, and other implementation costs beginning in January 2023 (this number will be adjusted pending the finalization of the contract with the City of Oakland), an increase in Other First 5 Income from First 5 California IMPACT grant and the First 5 San Francisco Regional IMPACT Hub, an increase in Interagency income from Alameda County Public Health Department, Alameda County Social Services Agency, Alameda County Housing and Community Development Agency, and private funding from Sunlight Giving, Stupski Foundation, Tipping Point and Child Family & Community Services.

**Expenditures**

The FY 2022-23 adopted budget projects expenses totaling \$24,333,171. The proposed budget modification changes this amount to \$28,849,697, a net increase of \$4,516,526. Please refer to the following summary of major changes and the attached worksheet detailing proposed revised revenue.

**New Revenue Received/Budgeted Since Adoption of Original Budget:**

<b>Funder/Source</b>	<b>Amount (\$)</b>	<b>Strategy</b>	<b>Description/Purpose</b>
<b>Measure AA Tax – Increase \$1,500,000</b>			
City of Oakland	\$1,500,000	Children’s Health Initiative and Expansion	New revenue to support implementation activities as First 5 assumes the role as the City of Oakland’s Early Childhood Implementation Partner supporting early care and education programs.
<b>Other First 5 Income – Increase \$99,557</b>			
First 5 CA (IMPACT 2020)	\$71,488	Quality Early Childhood Education	Increased funding from unspent (rollover) funds to support local QRIS work.
Children’s Council of San Francisco (First 5 San Francisco)	\$28,069	Quality Early Childhood Education	Increased funding for the IMPACT Local Regional Training and Technical Assistance Hub.
<b>Interagency Income – Increase \$281,158</b>			
Alameda County Public Health Department	\$140,000	Parent Partnership	Funding to support one Perinatal Outreach Care Coordinator
Alameda County Social Services Agency	\$90,000	Data & Evaluation	Funding to support the contract with Center of the Study of Child Care Employment to conduct an evaluation of the Alameda County Early Childhood

## AGENDA ITEM 5

			CalWORKs Apprenticeship Program.
Alameda County Housing and Community Development Agency	\$51,158	Policy & Advocacy Data & Evaluation	New revenue to support the ECE Needs Assessment in the unincorporated areas of Alameda County to understand the magnitude of COVID-19's impact.
<b>Grants – Increase \$2,650,663</b>			
Sunlight Giving	\$270,000	Operational Support	New funding awards from Sunlight Giving for FY 2022-23 for general operating support.
Child Family & Community Services (CFCS)	\$1,392,600	Data & Evaluation Operational Support Parent Partnership	New revenue received from CFCS' remaining financial assets to continue providing education and family support services to low-income families in Alameda County.
Alameda Alliance for Health	\$880,563	Early Identification	Additional funding to provide expanded comprehensive pediatric care management services to engage families in pediatric well-child, provide navigation support, and continue its quality improvement support to healthcare providers and practices.
Stupski Foundation	\$87,500	Early Identification	Funding for the Director of Pediatric Care Coordination position.
Tipping Point	\$20,000	Data & Evaluation	Funding to support the contract with the Center of the Study of Child Care Employment (CSCCE) to conduct an evaluation of the Alameda County Early Childhood CalWORKs Apprenticeship Program.
<b>Other Income – Decrease (\$14,850)</b>			
Misc. Income	(\$14,850)	Operational Support	Reduction in revenue due to the shortened rental lease with First 5 Association.



<b>Prop 10 Tax Revenue</b>	(\$1,509,241)	All Strategies	Reduction in projected Prop 10 as of November 2022
<b>Sustainability Funds</b>	\$1,509,241	All Strategies	Projected increase in use of sustainability funds to maintain strategy budgets for the FY 2022-23 investments.
	<b>\$4,516,526</b>	<b>Revenue – Proposed Increase</b>	
	<b>\$24,333,171</b>	<b>Revenue – Original Approved Budget</b>	
	<b>\$28,849,697</b>	<b>Revenue – Proposed Revised Budget</b>	

### Fiscal Impact

The fiscal impact of the budget modification is a net increase of \$4,516,526 in revenues and expenses, funded by grants and reimbursements, bringing the total budget to \$28,849,697.

### Recommendation


That the Executive Committee recommend the FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications be approved by the Commission at their meeting on February 23, 2023.

Submitted by:

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Christine Hom  
 Chief Operating Officer

Reviewed by:

DocuSigned by:  
  
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Kristin Spanos  
 Chief Executive Officer

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Maria Canteros  
 Finance Administrator

**First 5 Alameda County  
Revenue  
For the Period July 1, 2022 - December 31, 2022**

Revenues	footnote	Original Budget FY2022-23	Actual	% Received in first half this year	% Received in first half last year	Proposed Revised Budget FY2022-23	% Received in first half this year	Proposed Revised Budget Balance Remaining
<b>Proposition 10 Tobacco Tax Revenue</b>	<b>1</b>	<b>12,508,053</b>	<b>3,107,342</b>	25%	39%	<b>10,998,811</b>	28%	<b>7,891,469</b>
<b>Measure AA Tax Revenue</b>	<b>3</b>	-	-	0%	0%	<b>1,500,000</b>	0%	<b>1,500,000</b>
<b>Other First 5 Income</b>								
First 5 California (IMPACT 2020)	2	1,153,805	85,744	7%	4%	1,225,293	7%	1,139,549
Children's Council of San Francisco (First 5 San Francisco/Hub)	2	158,000	51,050	32%	1%	186,069	27%	135,019
<b>Total Other First 5 Income</b>		<b>1,311,805</b>	<b>136,794</b>	<b>10%</b>	<b>3%</b>	<b>1,411,362</b>	<b>10%</b>	<b>1,274,568</b>
<b>Interagency Income</b>								
Alameda County Health Care Services Agency (Fathers Corp)		400,000	119,411	30%	48%	400,000	30%	280,589
Alameda County Office of Education (QRIS 8/9)		447,292	150,163	34%	41%	447,292	34%	297,129
Alameda County Office of Education (Inclusive ELC Grant)		74,723	40,110	54%	54%	74,723	54%	34,613
Alameda County Public Health Dept. (shared Technology costs)		122,812	-	0%	0%	122,812	0%	122,812
Alameda County Public Health Dept. (Perinatal Health Outreach Services)	3	-	30,913	0%	0%	140,000	22%	109,087
<b>Federal Pass-through Grants:</b>								
Alameda County Housing and Community Development Agency	3	-	-	0%	0%	51,158	0%	51,158
Alameda County Public Health Dept. CHDP (Linkage Line)		479,658	103,436	22%	44%	479,658	22%	376,222
Alameda County Social Services Agency (Workforce Pilot, Navigation & HMG support)	2	1,717,507	194,911	11%	56%	1,807,507	11%	1,612,596
<b>Federal Pass-through State Grants:</b>								
California Dept. of Social Services (QCC QRIS Block Grant)		515,120	382,164	74%	72%	515,119	74%	132,955
California Dept. of Education (Preschool Development Grant)		55,081	41,693	76%	42%	55,081	76%	13,388
<b>Total Interagency Income</b>		<b>3,812,193</b>	<b>1,062,800</b>	<b>28%</b>	<b>51%</b>	<b>4,093,350</b>	<b>26%</b>	<b>3,030,550</b>
<b>Grants</b>								
Sunlight Giving	2	120,000	270,000	225%	67%	390,000	69%	120,000
Alameda Alliance for Health	2	572,473	484,346	85%	33%	1,453,036	33%	968,690
Tipping Point	3	-	20,000	0%	0%	20,000	100%	-
Stupski Foundation	2	73,000	-	0%	0%	160,500	0%	160,500
Kaiser Permanente Foundation Hospitals		110,000	-	0%	0%	110,000	0%	110,000
Child Family & Community Services (via CA Children and Families Foundation)	3	-	1,198,725	0%		1,392,600	86%	193,875
<b>Total Grants</b>		<b>875,473</b>	<b>1,973,071</b>	<b>225%</b>	<b>49%</b>	<b>3,526,136</b>	<b>56%</b>	<b>1,553,065</b>
<b>Fiscal Leveraging - MediCal Administrative Activities</b>		<b>2,000,000</b>	-	<b>0%</b>	<b>0%</b>	<b>2,000,000</b>	<b>0%</b>	<b>2,000,000</b>
<b>Other Income</b>								
Investment Revenue		324,000	214,368	66%	55%	324,000	66%	109,632
Miscellaneous Revenue - Other	4	29,700	14,850	50%	84%	14,850	100%	-
<b>TOTAL REVENUE</b>		<b>20,861,224</b>	<b>6,509,226</b>			<b>23,868,509</b>		<b>17,359,284</b>
<b>RESERVES</b>								
<b>Proposition 10 - Sustainability Funds</b>		<b>3,471,947</b>	-	0%	0%	<b>4,981,188</b>	0%	<b>4,981,188</b>
<b>Proposition 10 - Prior year budget savings for Community Resilience Fund</b>		-	-	0%	0%	-	0%	-
<b>Interagency and Grants Revenues - received in prior years</b>								
<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>		<b>24,333,171</b>	<b>6,509,226</b>	<b>27%</b>	<b>29%</b>	<b>28,849,697</b>	<b>23%</b>	<b>22,340,472</b>

**First 5 Alameda County  
Budget vs. Actual Expenditures by Category  
Proposed Revisions  
For the Period July 1, 2022 - December 31, 2022**

AGENDA ITEM 5.2

Expenditures	Original Budget FY2022-23	Actuals	% Spent in first half this year	% Spent in first half last year	Proposed Revised Budget FY2022-23	% Spent in first half this year	Proposed Revised Budget Balance Remaining
Personnel Costs	12,529,894	5,104,043	41%	40%	14,758,209	35%	9,654,167
Program Contracts and Grants*	10,165,482	1,872,426	18%	21%	12,267,489	15%	10,395,063
Program Operating Costs**	492,445	93,227	19%	12%	532,253	18%	439,026
Infrastructure Costs	1,145,350	652,361	57%	39%	1,291,746	51%	639,386
<b>TOTAL EXPENDITURES</b>	<b>24,333,171</b>	<b>7,722,056</b>	32%	31%	<b>28,849,697</b>	27%	<b>21,127,641</b>

\* Program Contracts and Grants also include stipends and professional services contracts with individuals or vendors for time limited services that support program work (e.g. consultants, web design, etc.)

\*\* Program Operating costs: Costs that support agency program implementation (e.g. supplies, travel, meeting costs, etc.)

**Notes:** Proposed revisions reflect changes in planned Expenditure Category costs for FY 2022-23

FY 2022-23 proposed increase in expenditure categories for personnel, contracts, grants, stipends, professional services, program operating costs, and infrastructure costs are due to: new revenue and adjustments to current externally funded activities supporting Parent Partnership, Early ID, Quality Early Childhood Education, Policy & Advocacy, Data & Evaluation, Communications, Operational Support, and Children's Health Initiative activities.

**First 5 Alameda County  
Proposed Revised Operating Expenditure Budget By Strategy  
July 1, 2022 - June 30, 2023**

	Parent Partnership	Early ID	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative and Expansion	TOTAL ORIGINAL BUDGET
<b>ORIGINAL BUDGET</b>												
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
<b>Personnel Costs</b>												
Salaries & Benefits	1,140,004	2,316,059	2,011,024	386,747	528,070	1,051,318	885,882	379,153	500,000	3,331,637	0	12,529,894
<b>Program Contracts/Grants</b>												
Contracts	1,956,496	676,255	1,434,100	282,500	2,910,930	85,479	152,518	271,000	95,000	1,640,800	0	9,505,078
Grants & Stipends	0	0	450,000	24,000	0	0	0	0	0	0	0	474,000
Professional Services*	0	7,224	28,446	49,000	41,000	0	0	35,000	0	25,734	0	186,404
Total Contracts/Grants	1,956,496	683,479	1,912,546	355,500	2,951,930	85,479	152,518	306,000	95,000	1,666,534	0	10,165,482
<b>Program Operating Costs**</b>	61,500	77,951	123,852	25,036	20,000	9,803	20,000	14,847	10,000	129,456	0	492,445
<b>Infrastructure Costs</b>	0	0	0	0	0	0	0	0	0	1,145,350	0	1,145,350
<b>Total Direct Program Costs</b>	<b>3,158,000</b>	<b>3,077,489</b>	<b>4,047,422</b>	<b>767,283</b>	<b>3,500,000</b>	<b>1,146,600</b>	<b>1,058,400</b>	<b>700,000</b>	<b>605,000</b>	<b>6,272,977</b>	<b>0</b>	<b>24,333,171</b>

	Parent Partnership	Early ID	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative and Expansion	TOTAL REVISED BUDGET
<b>PROPOSED REVISED BUDGET</b>												
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
<b>Personnel Costs</b>												
Salaries & Benefits	914,141	2,875,652	2,140,466	380,397	556,789	1,162,856	946,868	379,153	352,992	3,714,629	1,334,267	14,758,209
<b>Program Contracts/Grants</b>												
Contracts	2,531,924	1,048,805	1,412,669	317,109	2,882,211	91,196	418,573	231,000	309,375	1,779,585	531,697	11,554,144
Grants & Stipends	0	0	472,000	3,000	0	0	0	0	0	0	0	475,000
Professional Services*	0	4,000	35,446	49,000	46,000	3,165	0	75,000	0	25,734	0	238,345
Total Contracts/Grants	2,531,924	1,052,805	1,920,115	369,109	2,928,211	94,361	418,573	306,000	309,375	1,805,319	531,697	12,267,489
<b>Program Operating Costs**</b>	65,585	87,239	133,362	17,777	15,000	9,354	20,000	14,847	9,633	149,456	10,000	532,253
<b>Infrastructure Costs</b>	0	0	0	0	0	0	0	0	0	1,216,746	75,000	1,291,746
<b>Total Direct Program Costs</b>	<b>3,511,650</b>	<b>4,015,696</b>	<b>4,193,943</b>	<b>767,283</b>	<b>3,500,000</b>	<b>1,266,571</b>	<b>1,385,441</b>	<b>700,000</b>	<b>672,000</b>	<b>6,886,150</b>	<b>1,950,964</b>	<b>28,849,697</b>

\* Professional Services  
\*\* Program Operating costs:

	Parent Partnership	Early ID	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative and Expansion	BUDGET CHANGES
<b>NET CHANGES BY STRATEGY FY 2022-23</b>												
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
<b>Personnel Costs</b>												
Salaries & Benefits	(225,863)	559,593	129,442	(6,350)	28,719	111,538	60,986	(0)	(147,008)	382,992	1,334,267	2,228,316
<b>Program Contracts/Grants</b>												
Contracts	575,428	372,550	(21,431)	34,609	(28,719)	5,717	266,055	(40,000)	214,375	138,785	531,697	2,049,066
Grants & Stipends	0	0	22,000	(21,000)	0	0	0	0	0	0	0	1,000
Professional Services*	0	(3,224)	7,000	0	5,000	3,165	0	40,000	0	0	0	51,941
Total Contracts/Grants	575,428	369,326	7,569	13,609	(23,719)	8,882	266,055	0	214,375	138,785	531,697	2,102,007
<b>Program Operating Costs**</b>	4,085	9,288	9,510	(7,259)	(5,000)	(449)	0	0	(367)	20,000	10,000	39,808
<b>Infrastructure Costs</b>	0	0	0	0	0	0	0	0	0	71,396	75,000	146,396
<b>Total Direct Program Costs</b>	<b>353,650</b>	<b>938,207</b>	<b>146,521</b>	<b>0</b>	<b>(0)</b>	<b>119,971</b>	<b>327,041</b>	<b>(0)</b>	<b>67,000</b>	<b>613,173</b>	<b>1,950,964</b>	<b>4,516,526</b>



**To:** First 5 Alameda County Executive Committee  
**From:** Christine Hom, Chief Operating Officer  
**Date:** February 16, 2023  
**Subject:** FY 2022-23 Mid-Year Investment Report, July 1, 2022 – December 31, 2022

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**REQUESTED ACTION**

To review the FY 2022-23 Mid-Year Investment Report covering the period July 1, 2022 – December 31, 2022.

**BACKGROUND OF ACTIVITIES**

As required by California Government Code, the investment objectives of First 5 Alameda County are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all requirements that may be reasonably anticipated; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The performance objective of the First 5 Alameda County investment portfolio is to earn a total rate of return that exceeds the total rate of return on identified benchmarks.

First 5 Alameda County maintains the majority of its funds invested in a portfolio of high quality, very liquid, fixed-income securities, which are professionally managed by the Commission's investment advisor, Chandler Asset Management. The remaining funds continue to be invested with the Alameda County Treasurer's pool. This report summarizes the activity and status of the investment portfolio as of December 31, 2022.

**PORTFOLIO HIGHLIGHTS**

The Investment Report shows the performance of funds that are invested in the portfolio with Chandler Asset Management. At the end of the last fiscal year (June 30, 2022), the total market value of the portfolio was \$28,648,566. On July 29, 2022, First 5 Alameda County liquidated \$3 million from the portfolio to meet operational cash flow needs. The market value of the Chandler portfolio as of December 31, 2022 was \$25,411,885 at a cost of \$27,207,578.

**INVESTMENT REPORT****Investment Activity**

The Investment Activity shows all transactions affecting our portfolio as of December 31, 2022. Purchases of securities are conducted when a maturity occurs, or when the investment advisor sells a security before maturity to rebalance the portfolio. Rebalancing is conducted to manage the risk profile of the portfolio, diversify portfolio maturities and sectors, protect market value, and enhance overall return.

**Investment Income**

Investment income is primarily derived from interest or yield payments on securities held in the investment portfolio. Typically, interest income from each security is received semi-annually. The Commission's investment advisor buys, sells and exchanges securities consistent with the First 5 Alameda County Investment Policy in order to optimize overall yields.

Total investment earnings for the period ending December 31, 2022 was \$213,059. For the same period last fiscal year, the total investment earnings for the period ending December 31, 2021 was \$247,762.

**Market Value and Unrealized Gains and Losses**

The market value of the portfolio securities changes as a result of market supply and demand, shifts in interest rates, and other factors. There was an unrealized loss position of \$1,795,693 at the end of December 2022. This is determined by comparing the Cost and the Market Value of the portfolio on that date. This is a loss on paper only, implying that a loss would have been realized, had the portfolio been liquidated on December 31st. Since the portfolio was not liquidated, this section is for informational purposes only. Per the Governmental Accounting Standards Board (GASB), government entities must report unrealized gains and losses on investments (GASB 31).

**Investment Fees**

Fees include those levied by the portfolio manager and the fees levied by the account custodian US Bank. The total fees paid during this period were \$17,202.

**Yield Benchmarks**

Investment yields are compared to the Local Agency Investment Fund (LAIF) and the Alameda County Treasury Investment Pool yields in order to benchmark investment manager performance. Chandler's average portfolio yield for the 6-month period of 1.48% is slightly behind the LAIF yield of 1.64% and is ahead of the Alameda County Treasury Investment Pool yield of 1.19% (through November 2022) for the year.

**FISCAL IMPACT**

The total realized investment earnings and interest received (net of fees) for July 1, 2022 – December 31, 2022 was \$198,235. Investment revenue for FY 2022-23 is budgeted at \$354,000.

Submitted by:

DocuSigned by:  
*Christine Hom*  
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Christine Hom  
Chief Operating Officer

Reviewed by:

DocuSigned by:  
*Kristin Spanos*  
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Kristin Spanos  
Chief Executive Officer

**First 5 Alameda County  
Investment Report - Chandler Asset Management  
For the Period July 1, 2022 - December 31, 2022**

**INVESTMENT INCOME:**

<i>Interest Received</i>	\$	213,059
Total Investment Earnings	\$	213,059
<i>Less:</i>		
Investment Fees (Chandler)		(14,824)
US Bank Custodial Fees		(2,378)
<i>Net Investment Income</i>	\$	198,235

**INVESTMENT ACTIVITY:**

Portfolios - Cost Basis at 6/30/22	\$	30,043,218
Purchases	\$	6,861,330
Maturities	\$	-
Sales	\$	(5,955,244)
Principal Pay Downs	\$	(694,916)
Calls	\$	-
Capital Gains/Losses	\$	(32,805)
Withdrawals	\$	(3,014,004)
Contributions	\$	-
Portfolios - Cost Basis at 12/31/22	\$	27,207,578

**COST VS. MARKET VALUE:**

Portfolios at Market 12/31/22	\$	25,411,885
Portfolios at Cost 12/31/22		27,207,578
Unrealized Gain (Loss) at 12/31/22	\$	(1,795,693)

**APPROXIMATE YIELD AND BENCHMARKS (Annualized) for FY 2022-23:**

Chandler Asset Management	1.48%
Local Agency Investment Fund (LAIF)	1.64%
Alameda County Treasurer's Pool (through November 2022)	1.19%





First 5 Alameda County

Holdings Report

Account #10022

As of December 31, 2022

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	17,038.56	09/15/2020 0.40%	17,037.70 17,037.70	99.76 5.09%	16,998.34 3.03	0.07% (39.36)	NR / AAA AAA	0.87 0.05
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	4,887.34	10/01/2019 1.95%	4,886.96 4,886.96	99.82 4.57%	4,878.78 2.90	0.02% (8.18)	NR / AAA AAA	1.31 0.07
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,992.63	10/16/2019 1.94%	25,991.26 25,991.26	99.64 5.03%	25,899.61 22.30	0.10% (91.65)	Aaa / AAA NR	1.54 0.11
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	29,900.86	05/18/2020 0.83%	29,898.51 29,898.51	98.53 5.51%	29,461.42 10.90	0.12% (437.09)	Aaa / AAA NR	1.54 0.31
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	63,923.46	Various 0.88%	64,216.21 64,216.21	99.13 4.89%	63,364.99 31.25	0.25% (851.22)	Aaa / NR AAA	1.62 0.23
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	77,744.81	09/22/2020 0.38%	77,733.39 77,733.39	97.82 5.31%	76,046.13 10.39	0.30% (1,687.26)	NR / AAA AAA	1.80 0.44
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	205,000.00	08/10/2021 0.39%	204,997.21 204,997.21	97.16 5.38%	199,171.95 24.43	0.78% (5,825.26)	NR / AAA AAA	1.81 0.57
47787NAC3	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	26,575.18	07/14/2020 0.52%	26,571.13 26,571.13	98.46 5.34%	26,166.92 6.02	0.10% (404.21)	Aaa / NR AAA	1.88 0.32
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	185,177.00	Various 1.52%	182,544.86 182,544.86	97.72 5.25%	180,946.15 10.18	0.71% (1,598.71)	Aaa / NR AAA	1.99 0.46
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	59,458.40	10/06/2020 0.36%	59,447.32 59,447.32	98.25 4.95%	58,415.67 9.25	0.23% (1,031.65)	NR / AAA AAA	2.04 0.38
92290BAA9	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	123,577.58	08/04/2020 0.48%	123,551.63 123,551.63	98.49 5.05%	121,716.08 17.75	0.48% (1,835.55)	Aaa / NR AAA	2.14 0.33
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.9% Due 3/20/2025	200,000.00	02/15/2022 1.91%	199,998.28 199,998.28	96.62 5.32%	193,248.60 116.11	0.76% (6,749.68)	Aaa / NR AAA	2.22 1.00
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	95,000.00	01/11/2022 1.11%	94,985.80 94,985.80	96.74 5.29%	91,906.77 17.42	0.36% (3,079.03)	NR / AAA AAA	2.23 0.78
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	52,593.18	02/17/2021 0.27%	52,592.22 52,592.22	96.73 6.22%	50,873.67 3.94	0.20% (1,718.55)	Aaa / NR AAA	2.31 0.55

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	102,327.03	10/20/2020 0.39%	102,303.46 102,303.46	97.38 5.63%	99,642.98 17.28	0.39% (2,660.48)	NR / AAA AAA	2.37 0.50
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	185,465.21	02/02/2021 0.27%	185,430.79 185,430.79	97.42 4.82%	180,682.66 21.43	0.71% (4,748.13)	Aaa / NR AAA	2.37 0.56
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	100,000.00	11/16/2021 0.89%	99,978.92 99,978.92	94.91 5.11%	94,905.76 24.44	0.37% (5,073.16)	Aaa / NR AAA	3.06 1.22
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	125,000.00	07/13/2021 0.52%	124,988.85 124,988.85	94.91 5.29%	118,634.71 28.89	0.47% (6,354.14)	Aaa / NR AAA	3.21 1.08
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 4/15/2026	90,000.00	11/09/2021 0.71%	89,998.08 89,998.08	94.21 5.70%	84,789.00 28.40	0.33% (5,209.08)	NR / AAA AAA	3.29 1.18
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.74% Due 5/15/2026	70,000.00	11/09/2021 0.75%	69,984.38 69,984.38	94.47 5.54%	66,125.93 23.02	0.26% (3,858.45)	NR / AAA AAA	3.37 1.17
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.88% Due 5/15/2026	160,000.00	02/15/2022 1.89%	159,975.94 159,975.94	95.03 5.03%	152,047.91 133.69	0.60% (7,928.03)	Aaa / AAA NR	3.37 1.60
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.21% Due 8/25/2026	100,000.00	05/10/2022 3.23%	99,994.80 99,994.80	97.40 4.96%	97,403.91 53.50	0.38% (2,590.89)	Aaa / AAA NR	3.65 1.51
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.93% Due 9/15/2026	85,000.00	04/07/2022 2.95%	84,998.01 84,998.01	96.70 5.00%	82,199.17 110.69	0.32% (2,798.84)	Aaa / AAA NR	3.71 1.62
362554AC1	GM Financial Securitized Term 2021-4 A3 0.68% Due 9/16/2026	75,000.00	10/13/2021 0.68%	74,998.09 74,998.09	94.48 5.54%	70,860.93 21.25	0.28% (4,137.16)	Aaa / AAA NR	3.71 1.15
47787JAC2	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	95,000.00	03/10/2022 2.34%	94,978.99 94,978.99	95.91 5.12%	91,117.89 97.96	0.36% (3,861.10)	Aaa / NR AAA	3.71 1.48
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.22% Due 10/15/2026	215,000.00	03/09/2022 2.23%	214,991.72 214,991.72	95.56 5.13%	205,463.89 212.13	0.81% (9,527.83)	NR / AAA AAA	3.79 1.55
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.26% Due 11/16/2026	65,000.00	01/11/2022 1.27%	64,994.35 64,994.35	94.55 5.35%	61,456.38 34.13	0.24% (3,537.97)	NR / AAA AAA	3.88 1.35

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
47800AAC4	John Deere Owner Trust 2022-B A3 3.74% Due 2/16/2027	125,000.00	07/12/2022 3.77%	124,988.06 124,988.06	97.70 4.93%	122,125.98 207.78	0.48% (2,862.08)	Aaa / NR AAA	4.13 1.99
02582JIT8	American Express Credit Trust 2022-2 A 3.39% Due 5/17/2027	265,000.00	05/17/2022 3.42%	264,941.38 264,941.38	97.14 4.72%	257,415.78 399.27	1.01% (7,525.60)	NR / AAA AAA	4.38 2.22
<b>Total ABS</b>		<b>3,024,661.24</b>	<b>1.52%</b>	<b>3,021,998.30</b>	<b>5.17%</b>	<b>2,923,967.96</b> <b>1,699.73</b>	<b>11.47%</b> <b>(98,030.34)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.91</b> <b>1.08</b>

<b>AGENCY</b>									
3130A0F70	FHLB Note 3.375% Due 12/8/2023	490,000.00	Various 2.74%	504,102.90 504,102.90	98.57 4.96%	482,980.76 1,056.57	1.90% (21,122.14)	Aaa / AA+ AAA	0.94 0.91
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	550,000.00	06/18/2019 1.96%	573,792.90 573,792.90	97.72 4.51%	537,458.57 746.71	2.11% (36,334.33)	Aaa / AA+ NR	1.45 1.40
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	475,000.00	09/13/2019 1.79%	499,600.25 499,600.25	97.12 4.65%	461,326.11 4,096.88	1.83% (38,274.14)	Aaa / AA+ AAA	1.70 1.62
3135G0W66	FNMA Note 1.625% Due 10/15/2024	410,000.00	Various 1.27%	416,324.90 416,324.90	95.05 4.54%	389,692.19 1,406.53	1.53% (26,632.71)	Aaa / AA+ AAA	1.79 1.72
3135G0X24	FNMA Note 1.625% Due 1/7/2025	520,000.00	Various 1.22%	529,792.20 529,792.20	94.54 4.48%	491,628.71 4,084.17	1.94% (38,163.49)	Aaa / AA+ AAA	2.02 1.93
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	645,000.00	02/13/2020 1.52%	644,503.35 644,503.35	94.29 4.35%	608,195.16 3,735.63	2.40% (36,308.19)	Aaa / AA+ AAA	2.12 2.03
3135G03U5	FNMA Note 0.625% Due 4/22/2025	510,000.00	04/22/2020 0.67%	508,949.40 508,949.40	91.94 4.33%	468,919.18 610.94	1.84% (40,030.22)	Aaa / AA+ AAA	2.31 2.24
3135G04Z3	FNMA Note 0.5% Due 6/17/2025	600,000.00	Various 0.47%	600,600.40 600,600.40	91.07 4.37%	546,390.81 116.66	2.14% (54,209.59)	Aaa / AA+ AAA	2.46 2.40
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	340,000.00	07/21/2020 0.48%	338,306.80 338,306.80	90.57 4.31%	307,945.10 566.67	1.21% (30,361.70)	Aaa / AA+ AAA	2.56 2.49
3135G05X7	FNMA Note 0.375% Due 8/25/2025	640,000.00	Various 0.46%	637,215.80 637,215.80	90.27 4.30%	577,716.59 840.00	2.27% (59,499.21)	Aaa / AA+ AAA	2.65 2.58
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	645,000.00	Various 0.44%	643,091.55 643,091.55	90.07 4.27%	580,951.33 658.44	2.28% (62,140.22)	Aaa / AA+ AAA	2.73 2.66

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G06G3	FNMA Note 0.5% Due 11/7/2025	630,000.00	Various 0.55%	628,448.60 628,448.60	90.01 4.26%	567,067.42 472.50	2.23% (61,381.18)	Aaa / AA+ AAA	2.85 2.77
<b>Total Agency</b>		<b>6,455,000.00</b>	<b>1.11%</b>	<b>6,524,729.05</b> <b>6,524,729.05</b>	<b>4.44%</b>	<b>6,020,271.93</b> <b>18,391.70</b>	<b>23.68%</b> <b>(504,457.12)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.15</b> <b>2.08</b>
<b>CORPORATE</b>									
24422EVN6	John Deere Capital Corp Note 0.45% Due 1/17/2024	205,000.00	03/01/2021 0.47%	204,854.45 204,854.45	95.64 4.78%	196,061.53 420.25	0.77% (8,792.92)	A2 / A A	1.05 1.02
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	170,000.00	03/16/2021 0.77%	169,915.00 169,915.00	95.07 4.99%	161,615.60 364.79	0.64% (8,299.40)	A2 / A A	1.21 1.18
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	310,000.00	Various 0.96%	307,334.40 307,334.40	93.84 4.83%	290,906.78 893.41	1.14% (16,427.62)	A2 / A+ NR	1.54 1.49
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	75,000.00	08/08/2019 2.20%	74,834.25 74,834.25	95.47 5.09%	71,603.19 609.17	0.28% (3,231.06)	A1 / A+ NR	1.62 1.55
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	355,000.00	12/05/2019 2.26%	354,815.40 354,815.40	95.37 4.92%	338,567.42 1,331.25	1.33% (16,247.98)	A1 / A AA-	1.84 1.76
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	325,000.00	02/19/2020 1.83%	329,628.00 329,628.00	95.45 4.74%	310,223.39 1,028.72	1.22% (19,404.61)	A2 / A A	1.86 1.78
89236TJT3	Toyota Motor Credit Corp Note 1.45% Due 1/13/2025	260,000.00	01/10/2022 1.50%	259,651.60 259,651.60	93.69 4.74%	243,601.21 1,759.33	0.96% (16,050.39)	A1 / A+ A+	2.04 1.95
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	365,000.00	01/16/2020 2.10%	364,222.55 364,222.55	94.76 4.75%	345,877.38 3,325.56	1.37% (18,345.17)	A1 / AA- AA-	2.06 1.96
69371RR73	Paccar Financial Corp Note 2.85% Due 4/7/2025	285,000.00	03/31/2022 2.86%	284,925.90 284,925.90	95.96 4.75%	273,481.12 1,895.25	1.08% (11,444.78)	A1 / A+ NR	2.27 2.14
78016EZ59	Royal Bank of Canada Note 3.375% Due 4/14/2025	155,000.00	04/07/2022 3.39%	154,942.65 154,942.65	96.70 4.91%	149,890.99 1,118.91	0.59% (5,051.66)	A1 / A AA-	2.29 2.15

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
06367WB85	Bank of Montreal Note 1.85% Due 5/1/2025	266,000.00	07/23/2021 0.85%	275,794.12 275,794.12	93.33 4.91%	248,265.16 820.17	0.98% (27,528.96)	A2 / A- AA-	2.33 2.23
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	320,000.00	05/24/2021 1.79%	320,413.10 320,413.10	93.23 5.28%	298,328.56 219.73	1.17% (22,084.54)	A1 / A- AA-	2.42 2.32
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	150,000.00	Various 1.92%	150,092.70 150,092.70	93.21 5.28%	139,821.49 32.30	0.55% (10,271.21)	A1 / A- AA-	2.48 2.38
89788MAA0	Truist Financial Corp Callable Note Cont 07/03/2025 1.2% Due 8/5/2025	250,000.00	02/03/2022 1.85%	244,510.00 244,510.00	91.52 4.71%	228,802.04 1,216.67	0.90% (15,707.96)	A3 / A- A	2.60 2.49
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	101,000.00	05/20/2021 2.09%	104,770.33 104,770.33	92.78 5.44%	93,710.73 403.23	0.37% (11,059.60)	A1 / A- AA-	3.31 2.20
6174468Q5	Morgan Stanley Callable Note Cont 4/28/2025 2.188% Due 4/28/2026	300,000.00	Various 4.85%	282,901.50 282,901.50	93.00 5.43%	278,990.82 1,148.70	1.10% (3,910.68)	A1 / A- A+	3.33 2.21
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	470,000.00	05/10/2021 1.09%	467,969.60 467,969.60	88.68 4.68%	416,782.85 639.72	1.64% (51,186.75)	A1 / AA AA-	3.36 3.23
808513BR5	Charles Schwab Corp Callable Note Cont 4/13/2026 1.15% Due 5/13/2026	270,000.00	12/14/2021 1.48%	266,233.50 266,233.50	88.96 4.73%	240,199.30 414.00	0.94% (26,034.20)	A2 / A A	3.37 3.23
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	375,000.00	Various 1.09%	375,977.75 375,977.75	89.43 4.57%	335,374.48 551.04	1.32% (40,603.27)	A3 / A+ A	3.37 3.23
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	440,000.00	Various 1.23%	437,932.00 437,932.00	88.46 4.78%	389,244.02 178.75	1.53% (48,687.98)	A1 / A+ A+	3.47 3.32
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	300,000.00	Various 2.08%	300,792.00 300,792.00	90.23 5.45%	270,703.06 131.90	1.06% (30,088.94)	A2 / A- AA-	3.47 3.29
037833DN7	Apple Inc Callable Note Cont 7/11/2026 2.05% Due 9/11/2026	180,000.00	12/14/2021 1.53%	184,291.20 184,291.20	91.40 4.61%	164,524.03 1,127.50	0.65% (19,767.17)	Aaa / AA+ NR	3.70 3.47
06368FAC3	Bank of Montreal Note 1.25% Due 9/15/2026	150,000.00	09/13/2021 1.28%	149,818.50 149,818.50	87.49 4.99%	131,237.24 552.08	0.52% (18,581.26)	A2 / A- AA-	3.71 3.52

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.95% Due 1/15/2027	170,000.00	01/19/2022 1.99%	169,711.00 169,711.00	90.91 4.43%	154,543.63 1,528.58	0.61% (15,167.37)	A2 / A A	4.04 3.77
26444HAC5	Duke Energy Florida LLC Callable Note Cont 10/15/2026 3.2% Due 1/15/2027	300,000.00	02/22/2022 2.51%	309,444.00 309,444.00	94.62 4.68%	283,848.68 4,426.67	1.13% (25,595.32)	A1 / A NR	4.04 3.67
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.3% Due 3/15/2027	275,000.00	03/07/2022 2.30%	274,947.75 274,947.75	92.41 4.29%	254,121.44 1,862.36	1.00% (20,826.31)	Aa2 / AA A+	4.21 3.91
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	280,000.00	Various 3.89%	281,305.90 281,305.90	97.78 4.57%	273,771.94 1,586.67	1.08% (7,533.96)	A2 / A+ A+	4.36 3.93
756109BG8	Realty Income Corp Callable Note Cont 5/15/2027 3.95% Due 8/15/2027	156,000.00	11/28/2022 5.00%	149,193.72 149,193.72	95.48 5.06%	148,952.72 2,327.87	0.59% (241.00)	A3 / A- NR	4.62 4.09
<b>Total Corporate</b>		<b>7,258,000.00</b>	<b>1.97%</b>	<b>7,251,222.87</b>	<b>4.84%</b>	<b>6,733,050.80</b> <b>31,914.58</b>	<b>26.53%</b> <b>(518,172.07)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.86</b> <b>2.65</b>
<b>MONEY MARKET FUND</b>									
60934N104	Federated Investors Government Obligations Fund	223,094.84	Various 4.10%	223,094.84 223,094.84	1.00 4.10%	223,094.84 0.00	0.87% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>223,094.84</b>	<b>4.10%</b>	<b>223,094.84</b>	<b>4.10%</b>	<b>223,094.84</b> <b>0.00</b>	<b>0.87%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MUNICIPAL BONDS</b>									
13063DRK6	California State Taxable GO 2.4% Due 10/1/2024	345,000.00	10/16/2019 1.91%	352,924.65 352,924.65	96.43 4.54%	332,686.95 2,070.00	1.31% (20,237.70)	Aa2 / AA- AA	1.75 1.68
649791RC6	New York St STE-GO 1.25% Due 3/15/2027	275,000.00	06/17/2022 3.89%	243,933.25 243,933.25	86.91 4.72%	238,994.25 1,012.15	0.94% (4,939.00)	Aa1 / AA+ AA+	4.21 3.99
<b>Total Municipal Bonds</b>		<b>620,000.00</b>	<b>2.72%</b>	<b>596,857.90</b>	<b>4.62%</b>	<b>571,681.20</b> <b>3,082.15</b>	<b>2.25%</b> <b>(25,176.70)</b>	<b>Aa2 / AA</b> <b>AA</b>	<b>2.78</b> <b>2.64</b>

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>SUPRANATIONAL</b>									
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	280,000.00	10/21/2020 0.52%	279,683.60 279,683.60	89.92 4.33%	251,782.94 245.00	0.99% (27,900.66)	Aaa / AAA AAA	2.83 2.75
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	615,000.00	04/13/2021 0.97%	612,183.30 612,183.30	89.58 4.29%	550,892.40 1,061.30	2.16% (61,290.90)	Aaa / AAA AAA	3.30 3.19
<b>Total Supranational</b>		<b>895,000.00</b>	<b>0.83%</b>	<b>891,866.90</b>	<b>4.30%</b>	<b>802,675.34</b> <b>1,306.30</b>	<b>3.15%</b> <b>(89,191.56)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.15</b> <b>3.05</b>
<b>US TREASURY</b>									
912828V23	US Treasury Note 2.25% Due 12/31/2023	425,000.00	06/26/2019 1.78%	433,533.20 433,533.20	97.55 4.78%	414,607.48 26.42	1.63% (18,925.72)	Aaa / AA+ AAA	1.00 0.97
912828B66	US Treasury Note 2.75% Due 2/15/2024	600,000.00	04/29/2019 2.31%	611,859.38 611,859.38	97.86 4.72%	587,156.40 6,232.34	2.33% (24,702.98)	Aaa / AA+ AAA	1.13 1.08
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	390,000.00	03/30/2021 0.33%	389,055.47 389,055.47	94.84 4.71%	369,875.22 290.88	1.45% (19,180.25)	Aaa / AA+ AAA	1.21 1.17
912828XX3	US Treasury Note 2% Due 6/30/2024	600,000.00	12/12/2019 1.74%	606,867.19 606,867.19	96.21 4.64%	577,265.40 33.15	2.26% (29,601.79)	Aaa / AA+ AAA	1.50 1.45
912828D56	US Treasury Note 2.375% Due 8/15/2024	600,000.00	08/29/2019 1.45%	626,601.56 626,601.56	96.52 4.62%	579,140.40 5,382.47	2.29% (47,461.16)	Aaa / AA+ AAA	1.62 1.55
9128283D0	US Treasury Note 2.25% Due 10/31/2024	450,000.00	11/07/2019 1.77%	460,177.73 460,177.73	96.10 4.49%	432,439.65 1,734.12	1.70% (27,738.08)	Aaa / AA+ AAA	1.84 1.76
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	525,000.00	03/18/2020 0.81%	533,100.59 533,100.59	93.42 4.35%	490,444.50 2,006.82	1.93% (42,656.09)	Aaa / AA+ AAA	2.16 2.09
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	560,000.00	Various 0.46%	560,940.63 560,940.63	91.91 4.31%	514,718.96 715.38	2.02% (46,221.67)	Aaa / AA+ AAA	2.25 2.19
91282CAM3	US Treasury Note 0.25% Due 9/30/2025	600,000.00	02/19/2021 0.51%	592,851.56 592,851.56	89.88 4.19%	539,273.40 383.24	2.12% (53,578.16)	Aaa / AA+ AAA	2.75 2.68
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	600,000.00	Various 0.49%	593,328.13 593,328.13	89.51 4.22%	537,046.80 256.91	2.11% (56,281.33)	Aaa / AA+ AAA	2.84 2.76
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	550,000.00	03/26/2021 0.77%	540,138.67 540,138.67	89.54 4.23%	492,443.60 181.32	1.93% (47,695.07)	Aaa / AA+ AAA	2.92 2.84
91282CCW9	US Treasury Note 0.75% Due 8/31/2026	150,000.00	09/17/2021 0.86%	149,185.55 149,185.55	88.66 4.12%	132,996.15 382.25	0.52% (16,189.40)	Aaa / AA+ AAA	3.67 3.53

# Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
91282CCZ2	US Treasury Note 0.875% Due 9/30/2026	900,000.00	Various 1.08%	891,046.88 891,046.88	88.91 4.10%	800,226.90 2,012.01	3.15% (90,819.98)	Aaa / AA+ AAA	3.75 3.61
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	300,000.00	11/15/2021 1.25%	298,171.88 298,171.88	89.56 4.10%	268,687.50 578.04	1.06% (29,484.38)	Aaa / AA+ AAA	3.84 3.67
91282CET4	US Treasury Note 2.625% Due 5/31/2027	250,000.00	06/09/2022 3.07%	244,912.11 244,912.11	94.41 4.02%	236,015.50 576.92	0.93% (8,896.61)	Aaa / AA+ AAA	4.42 4.10
91282CEW7	US Treasury Note 3.25% Due 6/30/2027	200,000.00	Various 3.12%	201,174.48 201,174.48	96.84 4.02%	193,679.60 17.96	0.76% (7,494.88)	Aaa / AA+ AAA	4.50 4.13
91282CFB2	US Treasury Note 2.75% Due 7/31/2027	150,000.00	08/22/2022 3.12%	147,457.03 147,457.03	94.76 4.01%	142,142.55 1,726.22	0.56% (5,314.48)	Aaa / AA+ AAA	4.58 4.19
91282CFH9	US Treasury Note 3.125% Due 8/31/2027	130,000.00	09/19/2022 3.70%	126,648.44 126,648.44	96.34 3.99%	125,236.67 1,380.35	0.50% (1,411.77)	Aaa / AA+ AAA	4.67 4.24
91282CFM8	US Treasury Note 4.125% Due 9/30/2027	700,000.00	10/21/2022 4.43%	690,757.81 690,757.81	100.54 4.00%	703,746.40 7,377.40	2.79% 12,988.59	Aaa / AA+ AAA	4.75 4.23
<b>Total US Treasury</b>		<b>8,680,000.00</b>	<b>1.57%</b>	<b>8,697,808.29</b> <b>8,697,808.29</b>	<b>4.34%</b>	<b>8,137,143.08</b> <b>31,294.20</b>	<b>32.03%</b> <b>(560,665.21)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.68</b> <b>2.54</b>
<b>TOTAL PORTFOLIO</b>		<b>27,155,756.08</b>	<b>1.58%</b>	<b>27,207,578.15</b> <b>27,207,578.15</b>	<b>4.59%</b>	<b>25,411,885.15</b> <b>87,688.66</b>	<b>100.00%</b> <b>(1,795,693.00)</b>	<b>Aa2 / AA</b> <b>AAA</b>	<b>2.62</b> <b>2.29</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>25,499,573.81</b>			





**To:** First 5 Alameda County Executive Committee

**From:** Kristin Spanos, Chief Executive Officer  
Christine Hom, Chief Operating Officer

**Date:** February 16, 2023

**Subject:** Classification and Compensation Recommendations

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#### **ACTION REQUESTED**

Approve the recommended actions related to the Classification and Compensation Study completed by Koff & Associates and the corresponding adjustments to the First 5 Salary Guidelines.

#### **BACKGROUND**

First 5 Alameda County contracted with CPS HR Consulting (CPS HR) in July 2021 to conduct a comprehensive agency classification and compensation study. Changes to First 5's classification and compensation structure were presented to and approved by the Commission in October 2022 .

First 5 has continued to prepare to meet the programmatic and infrastructure growth needed to successfully implement Measures AA and C. In January 2023, First 5 requested that Koff & Associates conduct a compensation study for the following new leadership positions: Deputy CEO, the Chief Financial Officer , and Chief of Programs classifications to allow for the recruitment of the strongest talent in this competitive market. The data presented in the attached report was collected during the months of January and February 2023 and is reflective of the market practices of the comparator agencies at that time.

First 5 is requesting the approval of the following adjustments and additions to the existing salary guidelines for the positions listed below:

<b>Level</b>	<b>Proposed Salary Range (Monthly)</b>
Chief Executive Officer	\$18,548 - \$26,524
Deputy Chief Executive Officer	\$16,824 - \$24,058
Chief Financial Officer	\$15,260 - \$21,821
Chief Human Resources Officer Chief of Programs Chief of Staff Chief Operating Officer	\$14,533 - \$20,782

**FISCAL IMPACT**

The adoption of the classification and compensation recommendations would have a fiscal impact of \$205,816 in the current fiscal year. This impact to the personnel budget would be covered by savings in the current approved FY 2022-2023 personnel budget.

**RECOMMENDATION**

That the Executive Committee approve the classification and compensation recommendations and the corresponding adjustments to the First 5 Salary Guidelines.

Submitted by:

DocuSigned by:  
*Christine Hom*  
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\_\_\_\_\_  
Christine Hom  
Chief Operating Officer

Approved by:

DocuSigned by:  
*Kristin Spanos*  
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\_\_\_\_\_  
Kristin Spanos  
Chief Executive Officer



To: Kristin Spanos, Chief Executive Officer  
 From: Georg Krammer, Managing Director, Koff & Associates  
 Subject: Chief Salary Survey  
 Date: February 14, 2023

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In January 2023, First 5 Alameda County (“First 5”) contracted with Koff & Associates (“K&A”) to conduct a market compensation study for the Chief Financial Officer, Chief Human Resources Officer, and Chief of Programs classifications. The data presented in this report was collected during the months of January and February 2023 and is reflective of the market practices of the comparator agencies at that time. The following represents, in brief, the study process, findings, and recommendations.

**Study Process**

As a unique public sector agency, determining the comparator agencies to be included in the market compensation analysis was a particularly critical component of this study. K&A compiled and analyzed data from a variety of potential comparator agencies based on the following factors: organizational type and structure, labor market and geographic location, staff and operational budgets, scope of services provided, and the purpose/mission of each agency. In collaboration with First 5 stakeholders, K&A refined the list of potential comparators to include those agencies determined to be most similar to First 5 based on the preceding factors. Due to the size, budget, and scope of services provided by First 5, as well as responsibility related to the strategic direction of First 5 for these key classifications, K&A recommended a variety of comparator agencies, for each study classification, which we anticipated would yield sufficient market data. Additional compensation data was collected from the Economic Research Institute’s (ERI) salary assessor, which provides regional public and private sector market data as an additional means by which to assess market competitiveness and internal alignment as well as published survey data for non-profit agencies.

The average (mean) and median (midpoint) of the comparator agencies are reflected in the following table. K&A recommends using the public sector median, rather than all agency median, or mean, figures because the scope of responsibility of each matched classification at the public sector agencies more accurately aligned with the work assigned to the surveyed classifications at First 5 and because the median is not skewed by extremely high or low salary values.

**Table 1. Market Compensation Data**

Classification	Top Monthly Mean (All Agencies)	Top Monthly Median (All Agencies)	Top Monthly Mean (Public Sector Agencies)	Top Monthly Median (Public Sector Agencies)	# of Matches
Chief Financial Officer	\$18,995	\$19,624	\$19,331	\$19,624	16
Chief Human Resources Officer	\$17,725	\$18,220	\$18,766	\$18,893	16
Chief of Programs	\$17,407	\$16,832	\$18,101	\$18,246	19

Following preliminary data collection efforts, K&A met with First 5’s executive team to discuss compensation findings for the study classifications as well as compensation philosophy and strategy to attract and retain top talent for key leadership classifications. First 5’s current salary structure utilizes salary bands to group classifications into a range, or band, based on organizational level and scope of

responsibility (i.e., chiefs, directors, etc.). K&A recommends utilizing the market compensation data for the Chief Human Resources Officer classification to make salary recommendations for the Chief level classifications, excluding the Chief Financial Officer, as there was less market variance in the scope of duties and responsibilities, programs, and complexity of the work for this classification among the market comparators. K&A recommends setting the salary for the Chief Financial Officer classification based on market data results, as opposed to internal alignment with other Chief level classifications based on the complexity of this body of work in relation to other Chief level classifications.

**Base Salary Recommendations**

Based on First 5’s compensation philosophy, and desire to be competitive in attracting and retaining top talent as First 5 prepares for unprecedented expansion in funding, staffing, and programs/services, K&A recommends utilizing the public sector market median data as a “control point” from which to build the salary range structure; with an additional 10% above the control point as the range maximum, and a 30% spread from the control point down to the range minimum. Table 2 reflects the recommended control point and range maximums for the Chief classifications.

**Table 2. Chief Control Point and Maximum Range Placement Recommendations**

Classification Band	Proposed Maximum Monthly Salary	Proposed Maximum Monthly Control Point
Chief	\$20,782	\$18,893
Chief Financial Officer	\$21,821	\$19,838

K&A utilized the market data to make internal alignment recommendations for the newly created Deputy Chief Executive Officer classification as well as the Chief Executive Officer classification, as adjustments to the range placements and structure for the Chief level classifications have implications, such as compaction, on the higher-level executive classifications. The salary band recommendations for the Deputy Chief Executive Officer (approximately 10% above the Chief Financial Officer salary range) and Chief Executive Officer (approximately 10% above the Deputy CEO) are reflected below.

**Table 3. Executive Control Point and Maximum Range Placement Recommendations**

Classification Band	Proposed Maximum Monthly Salary	Proposed Maximum Monthly Control Point
Deputy Chief Executive Officer	\$24,058	\$21,871
Chief Executive Officer	\$26,524	\$24,113

**Range Structure Adjustment Recommendations**

The data collected and analyzed for the purpose of this study, is reflective of the market practices of the comparator agencies during the timeframe in which data was collected. Given that market pay practices are not static, K&A recommends that First 5 conduct a periodic range structure movement review to maintain market competitiveness. Range structures are designed to meet an organization’s strategy on salary compensation; as stated earlier, markets move periodically, and range structures should be designed to move with those market changes for ongoing market competitiveness.

K&A would like to note that this report and the findings are meant to be a tool for First 5 to create and implement an equitable compensation plan for the Chief and Executive classifications. Compensation



strategies are designed to attract and retain excellent staff; however, financial realities and First 5's expectations may also come into play when determining appropriate compensation philosophies and strategies. The collected data presented herein represents a market survey that will give First 5 an instrument to make future compensation decisions.

It has been a pleasure working with First 5 Alameda County on this critical project. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this data.