



**FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA**

**Thursday, February 26, 2015**

**First 5 Alameda County  
1115 Atlantic Ave.  
Alameda, CA 94501  
Conference Room A**

9:00 AM – 11:30 PM

**Commissioners:** *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Ricky Choi, M.D., Alex Briscoe, Wilma Chan, Lori Cox, Cecilia Echeverria, Renee Herzfeld, Helen Mendel, CMD, Deborah Roderick Stark

- 1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
- 2. Approval of Minutes from January 8, 2015**
- 3. Staff Announcements**
  - **Acknowledgement of Commissioner Helen Mendel's service**
  - **Acknowledgement of Long Foundation grant funding**
- 4. Election of Officers**

**INFRASTRUCTURE**

- 5. FY 2014-15 2<sup>nd</sup> Quarter Investment Report**
- 6. FY 2014-15 2<sup>nd</sup> Quarter Financial Report**
- 7. Contract Authorizations**
- 8. FY 2014-15 Budget Modification Recommendation**
- 9. Ethics Presentation**

**PROGRAM**

- 10. FY 2013-14 First 5 California Annual Report Approval**
- 11. FY 2013-14 F5AC Annual Report**
- 12. Project LAUNCH Presentation**
- 13. State Commission and Association Updates**
- 14. Legislation and Public Policy Updates**

Commission Meeting Agenda

February 26, 2015

**Information about the First 5 Conference Center**

- The First 5 Conference Center is wheelchair accessible. Please notify us 3 business days in advance if you need special assistance so we can make reasonable arrangements to ensure accessibility.
- Please refrain from wearing strongly scented products to the Conference Center in consideration of those who may experience chemical sensitivities.

## MISCELLANEOUS

15. **Communication from Commissioners**

16. **Adjournment**

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- Please refrain from wearing strongly scented products to the Conference Center in consideration of those who may experience chemical sensitivities.



**FIRST 5 ALAMEDA COUNTY COMMISSION MEETING MINUTES**

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**Thursday, January 8, 2015**

**First 5 Alameda County  
1115 Atlantic Ave.  
Alameda, CA 94501  
Conference Room A**

12:00 – 1:00 PM

**Commissioners:** *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Ricky Choi, M.D., Alex Briscoe, Wilma Chan, Lori Cox, Cecilia Echeverria, Renee Herzfeld, Helen Mendel, CMD, Deborah Roderick Stark

**Commissioners Absent:** Alex Briscoe, Lori Cox, Deborah Roderick Stark

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The meeting began at 12:05pm with Chair Pamela Simms-Mackey calling the meeting to order.

**1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**

There were no public comments.

**2. Approval of Minutes from Sep 25, 2014**

Commission Action: The Commission approved the September 25, 2014 minutes upon motion by Commissioner Mendel, seconded by Commissioner Choi (6 in favor, 0 opposed 0 abstain).

**CONSENT**

Chair Simms-Mackey stated that agenda items 3 through 5 were thoroughly discussed with the Executive Committee via conference calls in December and therefore will not be reviewed by the full Commission unless any Commissioner has a question.

**3. FY 2014-15 1<sup>st</sup> Quarter Financial Report**

**4. FY 2014-15 1<sup>st</sup> Quarter Investment Report**

**5. Investment Policy Recommendation**

Chair Simms-Mackey asked all commissioners if there were any questions on any of the consent items 3-5, there were none.

Commission Action: The Commission approved the Investment Policy Recommendation upon motion by Commissioner Choi, seconded by Commissioner Mendel (6 in favor, 0 opposed 0 abstain).

## INFRASTRUCTURE

### 6. Contract Authorizations

Christine Hom, Grants and Contracts Administrator presented the contracts below and asked if there were any questions. Upon no questions being asked by commissioners, Chair Simms-Mackey facilitated the vote for the following contracts:

- A Better Way  
Commission Action: The Commission approved the A Better Way Contract upon motion by Commissioner Mendel, seconded by Commissioner Choi and unanimously carried (6 in favor, 0 opposed).
- Consulting for Community  
Commission Action: The Commission approved the Consulting for Community contract upon motion by Commissioner Mendel, seconded by Commissioner Choi and unanimously carried (6 in favor, 0 opposed).
- Lotus Bloom Child and Family Resource Center  
Commission Action: The Commission approved the Lotus Bloom Child and Family Resource Center contract upon motion by Commissioner Choi, seconded by Commissioner Mendel and unanimously carried, Commissioner Herzfeld abstained (5 in favor, 0 opposed 1 abstain).
- Low Income Investment Fund  
Commission Action: The Commission approved the Low Income Investment Fund contract upon motion by Commissioner Choi, seconded by Commissioner Mendel and unanimously carried, Commissioner Herzfeld abstained (5 in favor, 0 opposed, 1 abstain).

Commissioner Mendel facilitated the vote for the following contracts:

- Family Resource Network  
Commission Action: The Commission approved the Family Resource Network contract upon motion by Commissioner Chan, seconded by Commissioner Echeverria and unanimously carried, Commissioners Choi, Herzfeld and Chair Mackey Abstained (3 in favor, 0 opposed 3 Abstain).

### 7. Cost of Living Adjustment Recommendation

Janet Basta, Human Resources Administrator made a recommendation for a 3% Cost of Living Adjustment for staff, citing increase of 3.2% in food and housing costs, as well as a retention tool for many staff who have reached salary caps. This would go into effect in 2015 retroactive 1 pay period. The \$83,000 cost for this year could be absorbed without budget modification.

Commission Action: The Commission approved Cost of Living Adjustment recommendation upon motion by Commissioner Chan, seconded by Commissioner Choi and unanimously carried (6 in favor, 0 opposed).

## **PROGRAM**

### **Approval of State Report**

Chris Hwang, Evaluation and Technology Administrator, presented the 2013-2014 report submitted to the state for approval. Ms. Hwang stated that, for now, this is summary data which does not include services for providers, but at next month's Commission Meeting the detailed information would be available along with a formal presentation. In order to fulfill state requirements, Ms. Hwang requested approval of the report.

Commissioner Echeverria asked if all of the information is included in the materials today for commissioners to vote or if there would be a vote in February. Ms. Hwang clarified that the vote today is on the information currently available. She stated that a presentation of the highlights will take place at the February meeting.

Commission Action: The Commission approved State Report upon motion by Commissioner Mendel, seconded by Commissioner Choi and unanimously carried (6 in favor, 0 opposed).

## **MISCELLANEOUS**

Beth Hoch, Training Administrator presented on the Holiday Giving campaign, citing collaboration with Sandia Labs, Wind River, Alameda School District and others to provide gifts for over 45 families, 155 people and 65 children age 0-5 with staff donating 84 gifts.

Ms. Basta reported that unfortunately Janis Burger was called to the east coast due to a family emergency so she was unable to be at today's meeting, but she is expected to be able to attend the February meeting.

### **8. Adjournment**



**To:** First 5 Alameda County Commission

**From:** Mark R Rasiah, Financial Controller

**Date:** February 26, 2015

**Subject:** Second Quarter Investment Report, July 1 – December 31, 2014

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**REQUESTED ACTION**

To review the Investment Report for the first half of FY2014-15 and to provide any feedback or guidance.

**BACKGROUND OF ACTIVITIES**

The investment objectives of the First 5 Alameda County Agency 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 Agency portfolio is to earn a total rate of return that exceeds the total rate of return on a market benchmark index of 1-5 Year Government securities.

In 2005-06, First 5 Alameda County transferred \$34,000,000 from the Sustainability Fund held by the Alameda County Treasurer's investment pool to outside money managers. This report summarizes the activity and status of the investment portfolio as of December 31<sup>st</sup>, 2014.

**PORTFOLIO HIGHLIGHTS**

The Investment Report shows the performance of funds that are invested in the Alameda County pool and with the two fund managers, Cutwater Asset Management and Chandler Asset Management and with Philanthropic Ventures Foundation. At the end of the last fiscal year (June 30<sup>th</sup> 2014), the total market value of the portfolio was \$30,420,589. In February 2014, a sum of \$5 million was transferred out of both fund manager holdings to Philanthropic Ventures Foundation, to fund a strategic collaboration initiative as authorized by the Commission on 21<sup>st</sup> March, 2013. There were no other withdrawals

during the first three months of FY 2014-15. The market value of the combined portfolios as of December 31st, 2014 is \$30,465,544 at a cost of \$30,580,989.

### **RECENT ECONOMIC ACTIVITY**

The U.S. Bureau of Labor Statistics increased the new job estimates for November and December. 257,000 new jobs were created in January, topping analyst expectations of 237,000 jobs. Over the past three months 1,009,000 new jobs have been added to the labor force. More jobs have been added in the past three months than in any consecutive three month period since 1998. Despite the job growth, the unemployment rate increased for the first time since July, 2014, as individuals rejoined the labor force. The labor force participation rate increased to 62.9 percent from 62.7 percent. The underemployment rate also increased 0.1 percent to 11.3 percent. Hourly wages increased 0.5 percent in January, the largest gain since November, 2008.

For the second consecutive month, the third quarter 2014 Gross Domestic Product (GDP) was revised upward to 5.0% from 3.9% as both personal consumption expenditures (PCE) and nonresidential fixed investment increased more than previously estimated. This marks the fastest rate of GDP growth in more than 10 years. Increased consumer spending and strong employment figures helped support the economic expansion throughout the third quarter. The United States economy expanded each of the past two quarters, following negative growth in the first quarter. Economic growth in the United States continues to strengthen even as economic reports from Europe and Asia indicate weakness. The Institute for Supply Management's (ISM) manufacturing index was little changed at 58.7 in November compared to 59.0. ISM levels above 50 indicate economic expansion.

### **EMPLOYMENT**

The unemployment rate dropped to 5.6% in December as compared to 5.8% last month. The continued decline in the unemployment rate reflects an increase in hiring across industries, from factories to offices and retailers. 252,000 jobs were added in December following a stronger than reported revised 353,000 increase in November. This also marks the eleventh straight month that employment gains exceeded 200,000, the longest stretch since the 19 months that ended in March 1995. The underemployment rate, which includes part-time workers who would prefer a full-time position and people who want to work but have given up looking, dropped to 11.2% last month. This is the lowest underemployment rate since 2008. The labor force participation rate which measures the number of Americans employed or looking for a job as a share of the working-age population, dropped to 62.7%, matching the lowest level since February 1978.

### **CONSUMERS**

Confidence among U.S. consumers increased in October exceeding initial projections. The Consumer Confidence Index climbed to a seven-year high of 94.5 in October from 89.0 in September. The increase was primarily due to consumers' improving outlook for the economy and labor market, as well as lower gasoline prices. Consumer spending, which accounts for almost 70 % of the economy, however, decreased 0.2 % in September after rising 0.5 % in August. An expected increase in seasonal hiring points to fourth quarter growth, however, with U.S. retail sales expected to rise over the holidays.

### **MONETARY POLICY**

In its first meeting since the conclusion of quantitative easing, the Federal Open Market Committee (FOMC) maintained the Fed funds target rate at 0% to 0.25%. The FOMC dropped its pledge to keep interest rates low for a "considerable time", mentioning the importance of patience when raising interest rates in order to normalize monetary policy. FOMC Chair Janet Yellen indicated that the committee will not raise the Fed funds target rate at either of the next two meetings. The FOMC also discussed risks from overseas, including the continued fall in oil prices, and concluded they were largely offset by domestic strength.

### **TREASURIES**

At the end of December, the 3-month Treasury bill yielded 0.003%, the 6-month Treasury bill yielded 0.10%, the 1-year Treasury note yielded 0.23%, the 2-year Treasury note yielded 0.74%, the 5-year Treasury note yielded 1.76%, the 10-year Treasury note yielded 2.25%, the 20-year Treasury yielded 2.54% and the 30-year Treasury yielded 2.81%. The steepness in the yield curve decreased in the six-month to ten-year range.

### **COMMERCIAL PAPER**

Commercial paper rates mostly fell in December, with the one-month rate decreasing by six basis points and the three-month rate decreasing by one basis point. The six-month commercial paper rate increased by four basis points.

### **INVESTMENT REPORT**

#### **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 money managers buy, sell and exchange securities consistent with the First 5 Alameda County Investment Policy in order to optimize overall yields.

Net investment earnings (net of fees) for the six months ended December 31, 2014 was \$159,930 and includes \$2,661 from the Alameda County Treasurer's pool.



**Investment Fees**

Fees include those levied by the money managers (Cutwater and Chandler) and the fees levied by the account custodian (Union Bank). The total fees paid during this period were \$17,625.

**Investment Activity**

The Investment Activity shows all transactions affecting our portfolio. A purchase of securities increases the value of the portfolio whereas the sale of securities decreases the total portfolio value and may result in a gain or loss on the transaction.

**Market Value and Unrealized Gains and Losses**

There was an unrealized loss of \$115,445 at the end of December. This is determined by comparing the Cost and the Market Value of the portfolio on that date. It implies that a loss would have been realized, had the portfolio been liquidated on December 30th. Since the portfolio was not liquidated, this section is for informational purposes only. Government entities are legally required (GASB 31) to report unrealized gains and losses on investments.

**Yield Benchmarks**

Investment yields are compared to the Local Agency Investment Fund (LAIF) yields in order to benchmark investment manager performance. Cutwater and Chandler's annualized yields (0.94% and 0.89%, respectively) exceed the total rate of return (0.67%) on a market benchmark index of 1-5 Year Government securities.

The investments with Philanthropic Ventures Foundation are held at First Republic Bank in a Business Money Market Savings account (there are no securities). The annual percentage yield earnings is 0.24% which is comparable to the yields on similar investment accounts.

The Alameda County Treasury Investment Pool is net of fees and has yielded a 0.56% annualized cash basis rate of return for the month of December.

**FISCAL IMPACT**

The total realized investment earnings at the end of the first six months of the year was \$177,555.

**REQUESTED ACTION**

To review the Investment Report for the first six months of FY2014-15 and to provide any feedback or guidance.

Submitted by:

Reviewed by:

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Mark R Rasiah,  
Financial Controller

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Janis Burger,  
Chief Executive Officer

**First 5 Alameda County  
Investment Report  
For the Period July 1 - Dec 31, 2014**

|                                      | <u>Union<br/>Bank</u> | <u>Cutwater<br/>Asset<br/>Management</u> | <u>Philanthropic<br/>Ventures</u> | <u>Chandler<br/>Asset<br/>Management</u> | <u>Total</u>   |
|--------------------------------------|-----------------------|--|-----------------------------------|--|----------------|
| <b>INVESTMENT INCOME:</b>            |                       |  |                                   |  |                |
| Interest Received                    |                       | 75,598                                   | 6,248                             | 93,048                                   | 174,894        |
| Income from Alameda County Treasurer |                       |  |                                   |  | 2,661          |
| Total Investment Earnings            |                       |  |                                   |  | <u>177,555</u> |
| Investment Fees Paid                 | (3,052)               | (6,419)                                  | 0                                 | (8,154)                                  | (17,625)       |
| Net Investment Income (Net of Fees)  |                       |  |                                   |  | <u>159,930</u> |

|                                       | <u>Cutwater<br/>Asset<br/>Management</u> | <u>Philanthropic<br/>Ventures</u> | <u>Chandler<br/>Asset<br/>Management</u> | <u>Total</u>      |
|---------------------------------------|--|-----------------------------------|--|-------------------|
| <b>INVESTMENT ACTIVITY:</b>           |  |                                   |  |                   |
| Portfolios - Cost Basis at 7/1/2014   | 12,702,674                               | 4,979,424                         | 12,850,818                               | 30,532,916        |
| Purchases                             | 3,869,192                                | 6,248                             | 3,100,340                                | 6,975,780         |
| Sales                                 | (3,876,966)                              |                                   | (2,525,402)                              | (6,402,368)       |
| Maturities                            | 0  |                                   | (421,936)                                | (421,936)         |
| Cash Disbursement                     | 0  |                                   | (103,404)                                | (103,404)         |
| Net Cash Management                   | 0  |                                   | 0  | 0                 |
| Portfolios - Cost Basis at 12/31/2014 | <u>12,694,901</u>                        | <u>4,985,672</u>                  | <u>12,900,416</u>                        | <u>30,580,989</u> |

|                                      |                 |           |                 |                  |
|--------------------------------------|-----------------|-----------|-----------------|------------------|
| <b>COST VS. MARKET VALUE:</b>        |                 |           |                 |                  |
| Portfolios at Market 12/31/2014      | 12,617,766      | 4,985,672 | 12,862,106      | 30,465,544       |
| Portfolios at Cost 12/31/2014        | 12,694,901      | 4,985,672 | 12,900,416      | 30,580,989       |
| Unrealized Gain (Loss) at 12/31/2014 | <u>(77,135)</u> | <u>0</u>  | <u>(38,310)</u> | <u>(115,445)</u> |

|   |       |
|---|-------|
| <b>YIELD AND BENCHMARKS (Annualized):</b>   |       |
| Cutwater Asset Management                   | 0.94% |
| Chandler Asset Management                   | 0.89% |
| Philanthropic Ventures Foundation           | 0.24% |
| Local Agency Investment Fund (LAIF)         | 0.27% |
| Alameda County Treasurer's Pool             | 0.56% |
| 1-5 Government Index (total rate of return) | 0.67% |

**First 5 Alameda County  
Combined Holdings Report  
As of December 31, 2014**

| <u>Holder</u> | <u>Asset Name</u> | <u>CUSIP</u> | <u>No. of Shares</u> | <u>Cost</u> | <u>Market Value</u> | <u>Investment Type</u> | <u>Moody</u> | <u>S &amp; P</u> |
|---------------|-------------------|--------------|----------------------|-------------|---------------------|------------------------|--------------|------------------|
| CHANDLER      | FAMC              | 3137EADJ5    | 160,000.00           | 161,227.20  | 159,939.20          | Other Fed Govt         | Aaa          | AAA              |
| CHANDLER      | FFCB BDS          | 3133EAY28    | 160,000.00           | 160,000.00  | 160,641.60          | Other Fed Govt         | Aaa          | AAA              |
| CHANDLER      | FFCB BDS          | 3133ECBB9    | 250,000.00           | 249,782.50  | 250,215.00          | Other Fed Govt         | Aaa          | AAA              |
| CHANDLER      | FHLB Note         | 313378WF4    | 250,000.00           | 250,890.00  | 250,965.00          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLB Note         | 313379FW4    | 320,000.00           | 320,646.40  | 319,705.60          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLB Note         | 313371PV2    | 235,000.00           | 241,580.00  | 238,814.05          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLB Note         | 0JB53JB5     | 150,000.00           | 156,219.00  | 151,533.00          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLB Note         | 3133787M7    | 160,000.00           | 160,147.20  | 160,827.20          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLB Note         | 313378A43    | 245,000.00           | 243,189.45  | 245,595.35          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EACH0    | 65,000.00            | 69,708.47   | 65,143.65           | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EADF3    | 245,000.00           | 247,271.88  | 246,815.45          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EADN6    | 255,000.00           | 246,549.30  | 251,340.75          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EADK2    | 260,000.00           | 252,907.20  | 255,200.40          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EADG1    | 250,000.00           | 251,525.00  | 251,385.00          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FHLMC NTS         | 3137EADM8    | 265,000.00           | 258,515.45  | 259,268.05          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOMZ3    | 100,000.00           | 100,104.35  | 99,651.00           | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOMZ3    | 155,000.00           | 155,161.73  | 154,459.05          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOUY7    | 150,000.00           | 151,425.00  | 150,001.50          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOWJ8    | 315,000.00           | 305,596.58  | 309,761.55          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOYT4    | 225,000.00           | 223,470.90  | 226,082.25          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOZA4    | 250,000.00           | 250,512.75  | 253,792.50          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOZL0    | 125,000.00           | 124,553.75  | 124,748.75          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | FNMA NTS          | 3135GOZG1    | 240,000.00           | 239,867.76  | 240,595.20          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | TVA BD            | 880591EQ1    | 275,000.00           | 277,233.25  | 277,571.25          | Other Fed Govt         | Aaa          | AA+              |
| CHANDLER      | Apple Inc Bonds   | 037833AJ9    | 190,000.00           | 188,225.40  | 187,180.40          | Corporate Bonds        | Aa3          | A+               |

**First 5 Alameda County  
Combined Holdings Report  
As of December 31, 2014**

| <u>Holder</u> | <u>Asset Name</u>       | <u>CUSIP</u> | <u>No. of Shares</u> | <u>Cost</u> | <u>Market Value</u> | <u>Investment Type</u> | <u>Moody</u> | <u>S &amp; P</u> |
|---------------|-------------------------|--------------|----------------------|-------------|---------------------|------------------------|--------------|------------------|
| CHANDLER      | American Honda Finance  | 02665WAC5    | 75,000.00            | 75,899.38   | 75,456.75           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | American Honda Finance  | 02665WAC5    | 15,000.00            | 15,179.88   | 15,091.35           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | American Honda Finance  | 02665WAQ4    | 115,000.00           | 114,893.05  | 115,489.90          | Corporate Bonds        | A1           | A+               |
| CHANDLER      | Bank of New York Mellon | 06406JHB4    | 75,000.00            | 82,345.50   | 75,597.75           | Corporate Bonds        | Aa3          | A                |
| CHANDLER      | Bank of New York Mellon | 06406HCW7    | 160,000.00           | 160,064.75  | 160,792.00          | Corporate Bonds        | Aa3          | A                |
| CHANDLER      | Berkshire Hathaway Fin  | 084670AV0    | 220,000.00           | 220,662.88  | 220,629.20          | Corporate Bonds        | Aa2          | AA+              |
| CHANDLER      | Berkshire Hathaway Fin  | 08467OAV0    | 40,000.00            | 40,120.52   | 40,114.40           | Corporate Bonds        | Aa2          | AA+              |
| CHANDLER      | CHAIT 212-A5 A5         | 161571FL3    | 165,000.00           | 165,000.00  | 165,052.80          | Corporate Bonds        | NR           | AAA              |
| CHANDLER      | Chevron Corp            | 166764AA8    | 55,000.00            | 54,437.37   | 54,660.10           | Corporate Bonds        | Aa1          | AA               |
| CHANDLER      | Chevron Corp            | 166764AA8    | 30,000.00            | 29,693.11   | 29,814.60           | Corporate Bonds        | Aa1          | AA               |
| CHANDLER      | Chevron Corp            | 166764AA8    | 58,000.00            | 57,406.68   | 57,641.56           | Corporate Bonds        | Aa1          | AA               |
| CHANDLER      | Chevron Corp            | 166764AA8    | 12,000.00            | 11,877.24   | 11,925.84           | Corporate Bonds        | Aa1          | AA               |
| CHANDLER      | CISCO Sys Inc           | 17275RAR3    | 60,000.00            | 60,285.40   | 60,282.60           | Corporate Bonds        | A1           | AA-              |
| CHANDLER      | CISCO Sys Inc           | 17275RAR3    | 60,000.00            | 60,285.40   | 60,282.60           | Corporate Bonds        | A1           | AA-              |
| CHANDLER      | CISCO Sys Inc           | 17275RAR3    | 60,000.00            | 60,285.40   | 60,282.60           | Corporate Bonds        | A1           | AA-              |
| CHANDLER      | COCA-Colants            | 191216AX8    | 100,000.00           | 99,839.50   | 100,101.00          | Corporate Bonds        | Aa3          | A+               |
| CHANDLER      | COCA-Colants            | 191216AX8    | 100,000.00           | 99,839.50   | 100,101.00          | Corporate Bonds        | Aa3          | A+               |
| CHANDLER      | Ebay Inc                | 278642AB9    | 125,000.00           | 124,781.25  | 125,962.50          | Corporate Bonds        | A2           | A                |
| CHANDLER      | Google Inc              | 38259PAC6    | 130,000.00           | 136,147.80  | 132,795.00          | Corporate Bonds        | Aa2          | AA-              |
| CHANDLER      | HAROT                   | 43814HAC2    | 105,000.00           | 104,979.75  | 104,648.25          | Corporate Bonds        | Aa2          | AAA              |
| CHANDLER      | HAROT                   | 43814CAC3    | 174,836.27           | 174,827.09  | 174,810.04          | Corporate Bonds        | Aa2          | AA-              |
| CHANDLER      | HAROT                   | 43814GAC4    | 105,000.00           | 104,987.38  | 104,767.95          | Corporate Bonds        | Aa2          | AA-              |
| CHANDLER      | IBM Corp                | 459200HK0    | 210,000.00           | 210,749.70  | 208,254.90          | Corporate Bonds        | Aa3          | A+               |
| CHANDLER      | Intel Corp              | 458140AL4    | 190,000.00           | 190,566.45  | 189,722.60          | Corporate Bonds        | A1           | A+               |
| CHANDLER      | John Deere              | 24422ERQ4    | 35,000.00            | 34,978.30   | 35,043.75           | Corporate Bonds        | A2           | A                |

**First 5 Alameda County  
Combined Holdings Report  
As of December 31, 2014**

| <u>Holder</u> | <u>Asset Name</u>                | <u>CUSIP</u> | <u>No. of Shares</u> | <u>Cost</u> | <u>Market Value</u> | <u>Investment Type</u> | <u>Moody</u> | <u>S &amp; P</u> |
|---------------|----------------------------------|--------------|----------------------|-------------|---------------------|------------------------|--------------|------------------|
| CHANDLER      | John Deere                       | 24422ERL5    | 120,000.00           | 124,813.20  | 122,028.00          | Corporate Bonds        | A2           | A                |
| CHANDLER      | JDOT ( John Deere ) Pass Through | 47787RAC4    | 65,622.32            | 65,620.28   | 65,630.85           | Corporate Bonds        | A2           | A                |
| CHANDLER      | JDOT ( John Deere ) Pass Through | 477879AC4    | 65,000.00            | 64,991.14   | 65,135.85           | Corporate Bonds        | A2           | A                |
| CHANDLER      | JDOT ( John Deere ) Pass Through | 477877AD6    | 60,000.00            | 59,984.33   | 59,764.80           | Corporate Bonds        | A2           | A                |
| CHANDLER      | JDOT ( John Deere ) Pass Through | 477877AD6    | 50,000.00            | 49,986.95   | 49,804.00           | Corporate Bonds        | Aaa          | NR               |
| CHANDLER      | JDOT ( John Deere ) Pass Through | 47787VAC5    | 150,000.00           | 149,975.97  | 149,931.00          | Corporate Bonds        | A2           | A                |
| CHANDLER      | JP Morgan Chase & Co             | 46625HHP8    | 110,000.00           | 112,697.63  | 110,184.80          | Corporate Bonds        | Aa3          | A+               |
| CHANDLER      | JP Morgan Chase & Co             | 46625HHP8    | 120,000.00           | 122,942.87  | 120,201.60          | Corporate Bonds        | Aa3          | A                |
| CHANDLER      | Occidental Petroleum             | 674599CB9    | 155,000.00           | 158,693.65  | 155,894.35          | Corporate Bonds        | A1           | A                |
| CHANDLER      | Oracle Corp                      | 68389XAN5    | 210,000.00           | 207,763.50  | 209,252.40          | Corporate Bonds        | A1           | A+               |
| CHANDLER      | Pfizer                           | 717081DG5    | 190,000.00           | 187,003.70  | 189,760.60          | Corporate Bonds        | A2           | A                |
| CHANDLER      | Pfizer                           | 717081DJ9    | 50,000.00            | 49,956.00   | 49,941.00           | Corporate Bonds        | A1           | AA               |
| CHANDLER      | TAOT (Toyota Pass Thru )         | 89231NAC7    | 68,091.82            | 68,085.35   | 68,105.44           | Corporate Bonds        | A2           | A                |
| CHANDLER      | TAOT (Toyota Pass Thru )         | 89231MAC9    | 110,000.00           | 109,979.67  | 109,879.00          | Corporate Bonds        | A2           | A                |
| CHANDLER      | United Tech Corp                 | 913017BU2    | 15,000.00            | 14,987.10   | 15,196.05           | Corporate Bonds        | Aa3          | A+               |
| CHANDLER      | US Bancorp BDS                   | 91159HHH6    | 95,000.00            | 95,156.87   | 95,434.15           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | US Bancorp BDS                   | 91159HHH6    | 40,000.00            | 40,066.05   | 40,182.80           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | US Bancorp BDS                   | 91159HHH6    | 20,000.00            | 20,033.03   | 20,091.40           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | Walmart Stores Inc               | 931142DF7    | 110,000.00           | 109,898.80  | 108,738.30          | Corporate Bonds        | Aa2          | AA               |
| CHANDLER      | Wells Fargo                      | 94980VAA6    | 175,000.00           | 182,674.33  | 175,696.50          | Corporate Bonds        | Aa3          | AA-              |
| CHANDLER      | Wells Fargo                      | 94980VAA6    | 50,000.00            | 52,192.67   | 50,199.00           | Corporate Bonds        | A1           | A+               |
| CHANDLER      | Bank of Tokyo Mitsubishi         | 06538CPL9    | 260,000.00           | 259,814.97  | 259,924.60          | Commercial Paper       | P-1          | A-1              |
| CHANDLER      | U.S. Treasury Notes              | 912828A59    | 195,000.00           | 194,277.02  | 194,908.35          | U. S. Treasury         | Aaa`         | AA+              |
| CHANDLER      | U.S. Treasury Notes              | 912828QP8    | 100,000.00           | 104,239.64  | 101,820.00          | U. S. Treasury         | Aaa`         | AA+              |
| CHANDLER      | U.S. Treasury Notes              | 912828QP8    | 205,000.00           | 213,691.26  | 208,731.00          | U. S. Treasury         | Aaa`         | AA+              |

**First 5 Alameda County  
Combined Holdings Report  
As of December 31, 2014**

| <u>Holder</u> | <u>Asset Name</u>    | <u>CUSIP</u> | <u>No. of Shares</u> | <u>Cost</u>  | <u>Market Value</u> | <u>Investment Type</u> | <u>Moody</u> | <u>S &amp; P</u> |
|---------------|----------------------|--------------|----------------------|--------------|---------------------|------------------------|--------------|------------------|
| CHANDLER      | U.S. Treasury Notes  | 912828QA1    | 110,000.00           | 117,292.74   | 112,560.80          | U. S. Treasury         | TSY          | TSY              |
| CHANDLER      | U.S. Treasury Notes  | 912828QA1    | 190,000.00           | 202,596.55   | 194,423.20          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828SC5    | 320,000.00           | 322,626.07   | 320,924.80          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828SH4    | 160,000.00           | 158,964.48   | 159,137.60          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828SH4    | 100,000.00           | 99,352.80    | 99,461.00           | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828ST8    | 260,000.00           | 254,811.03   | 256,973.60          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828TG5    | 330,000.00           | 326,739.78   | 326,261.10          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828UB4    | 260,000.00           | 251,619.63   | 252,179.20          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828UU2    | 310,000.00           | 305,036.19   | 305,229.10          | U. S. Treasury         | Aaa          | AA+              |
| CHANDLER      | U.S. Treasury Notes  | 912828VE7    | 260,000.00           | 254,922.75   | 257,480.60          | U. S. Treasury         | Aaa`         | AA+              |
| CHANDLER      | Federated Govt Oblig | 60934N10S    | 10,485.14            | 10,485.14    | 10,485.14           | Money Market           |              |                  |
| CUTWATER      | FHLB                 | 313381YP4    | 500,000              | 499,300.00   | 500,015.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FHLB                 | 313378A43    | 300,000              | 305,976.00   | 300,729.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FHLB                 | 3130A3MS0    | 800,000              | 799,600.00   | 799,912.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FHLMC                | 3137EADP1    | 500,000              | 498,375.00   | 493,975.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FHLMC                | 3134G5MH5    | 400,000              | 400,000.00   | 398,752.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOCM3    | 1,000,000            | 1,015,845.00 | 1,010,210.00        | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOCM3    | 1,000,000            | 1,015,845.00 | 1,010,210.00        | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOPP2    | 1,000,000            | 1,002,910.00 | 996,380.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOPP2    | 1,000,000            | 1,002,910.00 | 996,380.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOPP2    | 500,000              | 501,455.00   | 498,190.00          | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | FNMA                 | 3135GOYE7    | 1,250,000            | 1,250,025.00 | 1,249,750.00        | Other Fed Govt         | AA+          | Aaa              |
| CUTWATER      | Colgate Palmolive NT | 19416QDQ0    | 510,000              | 521,495.40   | 513,590.40          | Corporate Bonds        | AA-          | Aa3              |
| CUTWATER      | Caterpillar Finl     | 14912L5Z0    | 600,000              | 600,690.00   | 598,380.00          | Corporate Bonds        | A2           | A                |
| CUTWATER      | John Deere           | 24422ESB6    | 500,000              | 497,170.00   | 494,725.00          | Corporate Bonds        | A2           | A                |

**First 5 Alameda County  
Combined Holdings Report  
As of December 31, 2014**

| <u>Holder</u> | <u>Asset Name</u>    | <u>CUSIP</u> | <u>No. of Shares</u> | <u>Cost</u>  | <u>Market Value</u>         | <u>Investment Type</u>      | <u>Moody</u> | <u>S &amp; P</u> |
|---------------|----------------------|--------------|----------------------|--------------|-----------------------------|-----------------------------|--------------|------------------|
| CUTWATER      | Johnson & Johnson SR | 478160AY0    | 391,000              | 411,844.21   | 399,019.41                  | Corporate Bonds             | AAA          | Aaa              |
| CUTWATER      | IBM                  | 45900GX3     | 250,000              | 260,835.00   | 254,705.00                  | Corporate Bonds             | AAA          | Aaa              |
| CUTWATER      | Oracle               | 68389XAN5    | 500,000              | 497,610.00   | 498,220.00                  | Corporate Bonds             | A1           | A+               |
| CUTWATER      | Toyota Mtrs          | 89233P5S1    | 500,000              | 516,090.00   | 509,340.00                  | Corporate Bonds             | AA3          | AA-              |
| CUTWATER      | US T Notes           | 912828SJ0    | 1,000,000            | 1,004,062.50 | 1,002,420.00                | U. S. Treasury              | N/A          | AAA              |
| CUTWATER      | Fed Govt MMKT        | 60934N10S    | 92,863.39            | 92,863.39    | 92,863.39                   | Money Market                |              |                  |
| Total         |                      |              |                      |              | <b><u>25,595,318.43</u></b> | <b><u>25,479,871.97</u></b> |              |                  |

|                               |  |                      |                      |
|-------------------------------|--|----------------------|----------------------|
| <b>Chandler</b>               |  | <b>12,900,416.93</b> | <b>12,862,105.77</b> |
| <b>Cutwater</b>               |  | <b>12,694,901.50</b> | <b>12,617,766.20</b> |
| <b>Philanthropic Ventures</b> |  | <b>4,985,672.00</b>  | <b>4,985,672.00</b>  |
|                               |  |                      |                      |
| <b>Total</b>                  |  | <b>30,580,990.43</b> | <b>30,465,543.97</b> |





**To:** First 5 Alameda County Commission

**From:** Mark R Rasiah, Financial Controller

**Date:** February 26, 2015

**Subject:** Second Quarter Financial Report for July 1 – December 31, 2014

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#### **REQUESTED ACTION**

To review the Financial Report for the first six months of FY2014-15 and to provide any feedback or guidance.

#### **BACKGROUND**

This narrative and the attached statements report Revenues and Expenses for the period July 1 – December 31st, 2014. With 50% of the fiscal year complete, it is reasonable to expect both revenues and expenses to be at 50% of the budget projection, subject to timing lags. This is the case with most of the budgeted items.

#### **Revenue**

As of December 31st, total half year revenues were \$8.9m, or 50% of the revenue projection for the year. Of this amount:

- Tobacco Tax receipts at 51% of budget are in line with budget expectations for the first six months of the fiscal year.
- Inter-agency Income is at 49% of budget.
- The Federal Grants Budget represents the reimbursable amount from the Race To The Top Early Learning Challenge Grant, from the CA Department of Education. We have received 50% of the funds budgeted for the current fiscal year.
- Multi-year Federal funding for Project LAUNCH ended in September 2014. Unexpended funds were rolled over and expended by program end, at the end of the last Federal fiscal year. The amount shown represents reimbursements received.
- A Private Grant from the Long Foundation to expand some school readiness sites was budgeted, and all funds were received during the year. Additionally, we also received

the following: \$11,000 from the Morris Stulsaft Foundation to fund the development of an online ECE class for University NOW; and \$56,500 from the Packard Foundation to fund the coordination of the Oakland Starting Smart and Strong initiative.

- Revenues for Medi-Cal Administrative Activities (MAA) were budgeted at \$700,000 for FY 2014-15, in keeping with prior years. The reimbursement is based on expenditures incurred in the prior year - FY 2013-14. We have submitted an invoice for \$264,228 for the first quarter of FY 2013-14. Invoicing for the remaining period is underway and is expected to be completed by end February 2015.
- Investment revenue of \$177,555 represents 36% of budget projections. Investment income is not expected to increase significantly during the remainder of the year, due to the continuing low interest rate climate maintained by the Fed.
- Sustainability funds from the First 5 Alameda County Sustainability Fund reserve will be used to bridge the gap between actual revenues and expenses at year-end, to the extent authorized by the Commission. None was needed in the first half of this year.

### **Expenses**

At \$5.7m, total Expenditure for the quarter was 29% of the budgeted amount of \$19.96m. This is slightly more than the amount expended for the corresponding period last year (27%).

Most line item expenditures are tracking well within or close to 50% of budget. Payments on contract are at 21% of budget. This normally picks up during the second half of the year. Grant payments to Community Grantees are made according to a schedule of payments. At the end of the first quarter nearly 45% of scheduled payments had been made. Program operating costs are at 30% of budget. Infrastructure costs at 32% of budget are trending quite similarly to last year. All costs from the Infrastructure Budget will be allocated to programs at year-end and will reflect a more complete picture of program costs at that point. Administration costs for the first half of the fiscal year are under 10% of total expenditures.

### **Summary**

Revenues are very much in line with the progression of the fiscal year. Expense trends are as expected, and will close in on the budget as the year progresses.

### **Fiscal Impact**

None.

### **REQUESTED ACTION**

To review the Financial Report for the first half of FY2014-15 and to provide any feedback or guidance.

Submitted by:

Reviewed by:

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Mark R Rasiah ,  
Financial Controller

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Janis Burger, Chief Executive Officer

**First 5 Alameda County**  
**Revenue and Available Funds**  
**For the Period July 1, 2014 - December 31, 2014**

| Revenues                                      | Budget            | Actual           | Variance            | Percentage Received | Notes    |
|---|-------------------|------------------|---------------------|---------------------|----------|
| <b>Prop 10 Tobacco Tax</b>                    | <b>13,036,117</b> | <b>6,597,034</b> | <b>(6,439,083)</b>  | <b>51%</b>          | <b>1</b> |
| <b>Interagency Income</b>                     |                   |                  |                     |                     |          |
| - ACBHCS Early Connections(SAMHSA)            | 315,842           | 132,224          | (183,618)           | 42%                 |          |
| - ACPHD Project LAUNCH (SAMHSA)               | 152,000           | 343,777          | 191,777             | 226%                | <b>2</b> |
| - ACPHD Data Systems Infrastructure           | 50,000            | 0                | (50,000)            | 0%                  |          |
| - ACSSA Parent Voices                         | 165,000           | 0                | (165,000)           | 0%                  |          |
| - ACPHD CHDP Linkage Line                     | 343,065           | 62,134           | (280,931)           | 18%                 |          |
| - CSU Eastbay Foundation (HPN)                | 81,840            | 44,573           | (37,267)            | 54%                 |          |
| - First 5 Contra Costa                        | 139,072           | 31,917           | (107,155)           | 23%                 |          |
| <b>Total Income from Alameda Co. Agencies</b> | <b>1,246,819</b>  | <b>614,625</b>   | <b>(632,194)</b>    | <b>49%</b>          |          |
| <b>Grants</b>                                 |                   |                  |                     |                     |          |
| Federal- Race To The Top                      | 1,418,378         | 709,189          | (709,189)           | 50%                 |          |
| - Abt Associates                              | 2,425             | 0                | (2,425)             | 0%                  |          |
| State - CARES PLUS                            | 279,117           | 0                | (279,117)           | 0%                  |          |
| Private - Long Foundation                     | 470,250           | 470,250          | 0                   | 100%                |          |
| - Packard Foundation                          | 0                 | 56,500           | 56,500              | 0%                  |          |
| - Stulsaft Foundation                         | 0                 | 11,000           | 11,000              | 0%                  |          |
| - Koshland Foundation                         | 100,000           | 0                | (100,000)           | 0%                  |          |
| <b>Total Grants</b>                           | <b>2,270,170</b>  | <b>1,246,939</b> | <b>(1,023,231)</b>  | <b>55%</b>          |          |
| <b>Fiscal Leveraging</b>                      |                   |                  |                     |                     |          |
| MAA   | 700,000           | 264,228          | (435,772)           | 38%                 | <b>3</b> |
| <b>Total Fiscal Leveraging</b>                | <b>700,000</b>    | <b>264,228</b>   | <b>(435,772)</b>    | <b>38%</b>          |          |
| Investment Revenue                            | 500,000           | 177,555          | (322,445)           | 36%                 |          |
| Misc.Income                                   | 17,575            | 23,483           | 5,908               | 134%                | <b>4</b> |
| <b>TOTAL REVENUE</b>                          | <b>17,770,681</b> | <b>8,923,864</b> | <b>(8,846,817)</b>  | <b>50%</b>          |          |
| <b>Available Funds</b>                        |                   |                  |                     |                     |          |
| <b>Sustainability Funds</b>                   | <b>2,194,319</b>  | <b>0</b>         | <b>(2,194,319)</b>  | <b>0%</b>           | <b>5</b> |
| <b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>   | <b>19,965,000</b> | <b>8,923,864</b> | <b>(11,041,136)</b> | <b>45%</b>          |          |

**Notes:**

1. Prop 10 Tobacco tax revenues include the allocation for December 2014 received in February 2015.
2. Project LAUNCH funding includes unspent roll-over funds expended by program end in September 2014.
3. MAA revenues shown are for Q1 of FY 2013-14 only. The remaining 3 quarters are in the process of being invoiced.
4. Miscellaneous income is derived from renting office space and from insurance refunds.
5. Available funds represent the draw down (if any) from sustainability in order to meet expenses.

**First 5 Alameda County  
 Budget Vs Actual Expenses  
 For the Period July 1, 2014 - December 31, 2014  
 with comparatives for the corresponding period in the prior fiscal year**

| Expenditures                    | FY 2014 - 15      |                  |                     |            | FY 2013 - 14                |            |
|---------------------------------|-------------------|------------------|---------------------|------------|-----------------------------|------------|
|                                 | Budget            | Actuals          | Variance            | % Spent    | Actuals Last Year This Time | % Spent    |
| Personnel Costs                 | 6,622,433         | 2,354,452        | (4,267,981)         | 36%        | 2,471,190                   | 37%        |
| Contracts                       | 10,026,117        | 2,089,035        | (7,937,082)         | 21%        | 1,451,692                   | 18%        |
| Grants                          | 1,990,700         | 895,567          | (1,095,133)         | 45%        | 832,895                     | 39%        |
| Professional Services Contracts | 224,150           | 19,723           | (204,427)           | 9%         | 3,328                       | 2%         |
| Program Operating Costs         | 491,480           | 146,264          | (345,216)           | 30%        | 157,930                     | 16%        |
| Infrastructure Costs            | 610,120           | 198,225          | (411,895)           | 32%        | 176,620                     | 34%        |
| <b>TOTAL EXPENDITURES</b>       | <b>19,965,000</b> | <b>5,703,266</b> | <b>(14,261,734)</b> | <b>29%</b> | <b>5,093,655</b>            | <b>27%</b> |



**To:** First 5 Alameda County Commission

**From:** Christine Hom, Contracts and Grants Administrator

**Date:** February 26, 2015

**Subject:** Contract Authorizations

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**REQUESTED ACTION**

To review the following contract authorizations.

**BACKGROUND**

Per our Financial Policies, Section VII. Purchasing and Contracting, the Commission must approve contract/award amounts in excess of \$50,000. The following awards require specific authorization from the Commission.

**The Center to Promote HealthCare Access (dba Social Interest Solutions) - \$57,177**

First 5 Alameda County is requesting approval of a \$57,177 contract amendment with Social Interest Solutions to provide maintenance and hosting for the three First 5 supported web based applications: ECCOnline, ECChange and Pathways. The additional funding will allow for the successful transition of services to Public Consulting Group, the new database hosting and maintenance vendor. Social Interest Solutions has a current FY 2014-15 contract of \$207,051.13 for application maintenance and hosting and was also funded \$36,000 this fiscal year to document and package all First 5 applications for transition to the new vendor. The addition of this \$57,177 contract amendment brings the FY 2014-15 aggregate contract amount to \$300,228.13 for which Commission approval is needed.

Fiscal Impact: \$30,000 of contract funding was included in the originally approved FY 2014-15 budget; the remaining funding will be provided by Evaluation and Technology salary savings as requested in the FY 2014-15 budget modification request.

**Action requested: Approve an aggregate FY 2014-2015 contract amount of \$300,228.13 for Social Interest Solutions.**

**Applied Survey Research (ASR) - \$18,515**

First 5 Alameda County is requesting approval of a sole source FY 2014-15 \$18,515 contract with Applied Survey Research to conduct a telephone survey with families receiving Help Me Grow services (2013-17 Strategic Plan, page 7). ASR will conduct telephone interviews in English and Spanish with 100 Help Me Grow families to explore families’ experiences and satisfaction with referral and resource navigation supports provided by the Help Me Grow Linkage Line (staff of F5AC) and Family Navigators (staff of Family Resource Network). ASR will translate and compile responses to the survey as well as synthesize and summarize key themes from survey responses to inform project objectives, including comparison of service delivery experience (phone line or family navigator) and language groups. ASR conducted a similar service satisfaction survey of families receiving Help Me Grow services in early 2013 to inform future program design and is best positioned to continue providing telephone interview services for the program.

ASR has two FY 2014-15 contracts totaling \$46,140 with First 5 to conduct a school readiness assessment of 20 classrooms in Hayward Unified School District and funding to conduct an evaluation plan for the Alameda County Maternal/Infant/Early Childhood Home Visiting and Family Support System of Care. The addition of this \$18,515 contract brings the FY 2014-2015 aggregate contract amount to \$64,655 for which Commission approval is needed.

Fiscal Impact: None. Funding is budgeted.

**Action requested: Approve an aggregate FY 2014-15 contract amount of \$64,655 for Applied Survey Research.**

**RECOMMENDATION**

That the Commission approve the above contract authorizations.

Submitted by:

Reviewed by:

\_\_\_\_\_  
Christine Hom  
Contracts and Grants Administrator

\_\_\_\_\_  
Janis Burger  
Chief Executive Officer



**To:** First 5 Alameda County Commission

**From:** Mark R Rasiah, Financial Controller

**Date:** February 26, 2015

**Subject:** 2014-15 Budget Modification Recommendation

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**ACTION REQUESTED**

To review and adopt the following Budget Modification recommendation.

**BACKGROUND**

The operating budget for FY 2014-15 was adopted by the Commission in June 2014. 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 2014-15 Adopted Budget projects revenue and available funding totaling \$19,965,000. The proposed budget modification changes this amount to \$20,475,000, a net increase of \$510,000, funded by grants, reimbursements and Prop 10 tobacco tax savings, including an increase in the use of Sustainability funds by \$292,397 per the attached Revenue Modification Worksheet for Revenues and Available Funds.

**EXPENDITURES**

The 2014-15 Adopted Budget projects expenses totaling \$19,965,000. The proposed budget modification changes this amount to \$20,475,000, a net increase of \$510,000. Please refer to the following summary of changes and the attached Proposed Budget Modification worksheet for Expenditures.



| SOURCE OF FUNDS/STRATEGY/ PROGRAM  | INCREASE /(DECREASE) AMOUNT | IMPACT ON BUDGET FOR FY 2014-2015 (REVENUES & EXPENDITURES)   | DESCRIPTION/PURPOSE  |
|--|-----------------------------|---|--|
| <p>California Dept. of Education (CDE).<br/><u>Strategy:</u><br/>Provider Capacity Building/ Race To The top</p> | <p>\$98,000</p>             | <p>Increases the program budget line item for: Salaries and Benefits by \$13k; contracts by \$73k; travel by \$3k; training stipends by \$15k and reduces supplies by \$6k.</p> | <p>The increased salary will be used to fund a QRIS Rater. The other adjustments align the program budget for FY 2014-15 with the RTT-ELC grant budget.</p> <p>The increase is fully funded by the Race to the Top Early- Learning Challenge (RTT-ELC) grant.</p>                                |
| <p>Prop 10<br/><u>Strategy:</u><br/>Provider Capacity Building (PCB) - Fatherhood Corp.</p>                      | <p>\$80,000</p>             | <p>Increases Salary &amp; Benefits Line items within Provider Capacity Building.</p>  | <p>An Administrator position was created in late 2014 to oversee the growing Fathers Corp program. This funding covers the cost of the position through the remainder of FY 2014-15 and is jointly funded by HCSA and SSA.</p>   |
| <p>Prop. 10<br/><u>Strategy:</u><br/>Continuum of Care and Linkages/ Place Based Strategies</p>                  | <p>\$57,000</p>             | <p>Increases the budget line item for contracts by \$57k. Funded through a one-time savings in Salary and Benefits.</p>   | <p>Additional funding for Lotus Bloom (Family Resource Center in the Castlemont Corridor, in East Oakland), to provide additional support to the Room to Bloom program. The increase was approved by the commission at their last meeting in January 2015. Brings the total award to \$234k.</p> |
| <p>Prop 10<br/><u>Strategy:</u><br/>Continuum of Care and Linkages (CoCal) - Healthy Child Development</p>       | <p>\$13,000</p>             | <p>Increases Operating Costs - Copying/printing line by \$13K</p>   | <p>The HMG staff has been piloting the use of the checklists in one county WIC office in Alameda County since November. This would fund an expansion of the program by providing for printed materials to share with families that are referred to the HMG phone line.</p>                       |
| <p>Prop 10<br/><u>Strategy:</u><br/>Evaluation &amp;</p>   | <p>\$88,000</p>             | <p>This increase is the net effect of (i) increasing the Contracts line item budget</p>   | <p>Of the \$178k increase in the contracts line item, \$27k pays for an extension of the hosting and maintenance</p>   |

| SOURCE OF FUNDS/STRATEGY/ PROGRAM   | INCREASE /(DECREASE) AMOUNT     | IMPACT ON BUDGET FOR FY 2014-2015 (REVENUES & EXPENDITURES)  | DESCRIPTION/PURPOSE  |
|---|---------------------------------|--|--|
| Technology  |                                 | by \$178k, (ii) adding \$10k to the Communications line item budget and (iii) offsetting the increases with \$100k savings in salary and benefits (10 months of budgeted Salary & Benefits savings from an unfilled Evaluation Specialist position). Additionally, seeks a no cost transfer of \$50k from Contracts to Communications. | services provided by Social Interest Solutions (SIS). The remaining \$151k pays for the contract with Public Consulting Group (PCG), for ongoing maintenance and enhancement support for the three F5AC web-based applications (ECChange, ECC Online and Pathways). The transfer of \$50k and the additional \$10k to the Communications line item will pay a communications vendor – Rackspace.                           |
| <p>Prop 10 Strategy: Policy Advocacy and Communications</p> <p>Packard Foundation</p> | <p>\$60,000</p> <p>\$56,500</p> | <p>Increases the Temporary staff and contracts line item budgets that support F5AC policy and advocacy efforts by \$60k.</p> <p>Increases both revenue and the expense budget line item for contracts by \$56.5k. Fully funded by Packard Foundation.</p>  | <p>The following policy expenses are anticipated, some of which will be funded with available funds. Needs assessment for Oakland Reads 2020: \$25k; Transition work via Rainin Foundation: \$10k; Pilot contract with Medical/Legal Partnership: \$20k; Cross County Training: \$10k and Talk, Read, Sing work: \$25k</p> <p>\$56,500 was received from the Packard Foundation for Oakland Starting Smart and Strong.</p> |
| Prop 10 Infrastructure  | \$57,500                        | Increases: the contracts line item budget for agency infrastructure expense by \$39k; and furniture and facilities line items by \$18.5k   | Cost of the COO search firm - Leadership Search Partners: \$39k; office furniture and remodeling costs in connection with staffing changes: \$18.5k.   |
| <b>Net Increase in Expenditure Budget:</b>  | <b>\$510,000</b>                |  |  |

**FISCAL IMPACT**

The fiscal impact of the budget modification is a net increase of \$510,000 in revenues and expenses, funded by grants, reimbursements and Prop 10 savings, bringing the total budget to \$20,475,000 and an increase in the use of Sustainability funds by \$292,397.

**RECOMMENDATION**

To recommend the Budget Modification Recommendation be adopted by the full Commission.

Submitted by:

Reviewed by:

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Mark R Rasiah,  
Financial Controller

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Janis Burger,  
Chief Executive Officer

**First 5 Alameda County  
Proposed Revenue and Available Funds Budget  
For the Period July 1, 2014 - June 30, 2015**

| Revenues                                      | Adopted Budget<br>FY 2014-15 | Modified Budget<br>FY 2014-15 | Change<br>Increase/<br>Decrease | Notes |
|---|------------------------------|-------------------------------|---------------------------------|-------|
| <b>Prop 10 Tobacco Tax</b>                    | <b>13,036,117</b>            | <b>13,036,117</b>             | 0                               |       |
| <b>Interagency Income</b>                     |                              |                               |                                 |       |
| - ACBHCS Early Connections(SAMHSA)            | 315,842                      | 315,842                       | 0                               |       |
| - ACPHD Project LAUNCH (SAMHSA)               | 152,000                      | 343,777                       | 191,777                         | 1     |
| - ACPHD Data Systems Hosting & Mtce           | 86,674                       | 45,000                        | (41,674)                        | 2     |
| - ACSSA Parent Voices                         | 165,000                      | 165,000                       | 0                               |       |
| - HMG Linkage Line                            | 343,065                      | 343,065                       | 0                               |       |
| - CSU Eastbay Foundation (HPN)                | 81,840                       | 81,840                        | 0                               |       |
| - First 5 Contra Costa                        | 139,072                      | 139,072                       | 0                               |       |
| <b>Total Income from Alameda Co. Agencies</b> | <b>1,283,493</b>             | <b>1,433,596</b>              | <b>150,103</b>                  |       |
| <b>Grants</b>                                 |                              |                               |                                 |       |
| Federal- Race To The Top                      | 1,418,378                    | 1,418,378                     | 0                               |       |
| State - CARES PLUS                            | 279,117                      | 279,117                       | 0                               |       |
| Private - Long Foundation                     | 470,250                      | 470,250                       | 0                               |       |
| - Koshland Foundation                         | 100,000                      | 100,000                       | 0                               |       |
| - Stulsaft Foundation                         |                              | 11,000                        | 11,000                          | 3     |
| - Packard Foundation                          |                              | 56,500                        | 56,500                          | 4     |
| <b>Total Grants</b>                           | <b>2,267,745</b>             | <b>2,335,245</b>              | <b>67,500</b>                   |       |
| <b>Fiscal Leveraging</b>                      |                              |                               |                                 |       |
| MAA   | 700,000                      | 700,000                       | 0                               |       |
| <b>Total Fiscal Leveraging</b>                | <b>700,000</b>               | <b>700,000</b>                | <b>0</b>                        |       |
| Investment Revenue                            | 500,000                      | 500,000                       | 0                               |       |
| Misc.Income                                   | 20,000                       | 20,000                        | 0                               |       |
| <b>TOTAL REVENUE</b>                          | <b>17,807,355</b>            | <b>18,024,958</b>             | <b>217,603</b>                  |       |
|   |                              |                               |                                 |       |
| <b>Available Funds</b>                        |                              |                               |                                 |       |
| <b>Sustainability Funds</b>                   | 2,157,645                    | 2,450,042                     | 292,397                         | 5     |
|   |                              |                               |                                 |       |
| <b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>   | <b>19,965,000</b>            | <b>20,475,000</b>             | <b>510,000</b>                  |       |

**Notes:**

1. Project LAUNCH funding includes roll-over funds that were spent during July-Sept. 2014. Funding ended in September.
2. Reduced to reflect contractual/actual reimbursement amounts todate.
3. Funding from the Stulsaft Foundation to fund the development of an online ECE class at University NOW.
4. Funding from the Packard Foundation for the coordination of the Oakland Starting Smart and Strong initiative.
5. Sustainability funds will be used to maintain a balanced budget, if needed.

**First 5 Alameda County**

**Proposed Expenditure Budget by Expenditure Category  
For the Period July 1, 2014 - June 30, 2015**

| <b>Expenditures</b>                    | <b>Adopted<br/>Budget<br/>FY 2014-15</b> | <b>Modified<br/>Budget<br/>FY 2014-15</b> | <b>Net Change -<br/>Increase/<br/>(Decrease)</b> |
|--|--|---|--|
| <b>Personnel Costs</b>                 | <b>6,622,433</b>                         | <b>6,615,433</b>                          | <b>(7,000)</b>                                   |
| <b>Contracts</b>                       | <b>10,026,117</b>                        | <b>10,439,617</b>                         | <b>413,500</b>                                   |
| <b>Grants</b>                          | <b>1,990,700</b>                         | <b>1,990,700</b>                          | <b>-</b>   |
| <b>Professional Services Contracts</b> | <b>224,150</b>                           | <b>224,150</b>                            | <b>-</b>   |
| <b>Program Operating Costs</b>         | <b>491,480</b>                           | <b>516,480</b>                            | <b>25,000</b>                                    |
| <b>Infrastructure Costs</b>            | <b>610,120</b>                           | <b>688,620</b>                            | <b>78,500</b>                                    |
| <b>TOTAL EXPENDITURES</b>              | <b>19,965,000</b>                        | <b>20,475,000</b>                         | <b>510,000</b>                                   |



**To:** First 5 Alameda County Commission  
**From:** Janis Burger, CEO  
**Date:** February 26, 2015  
**Subject:** 2013-14 First 5 California State Annual Report

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**REQUESTED ACTION**

To review and approve the 2013-14 First 5 California State Annual Report

**BACKGROUND**

Proposition 10 legislation requires each county Commission to conduct one public hearing on the First 5 California State Annual Report. The report is a compilation of data collected from counties that participate in statewide initiatives including Power of Preschool, Health Access and School Readiness. The report also summarizes the county results on the state identified focus areas: Family Functioning, Child Development, Child Health and Systems of Care. The report can be downloaded at:

[http://www.first5california.com/pdf/annual\\_report\\_pdfs/Annual\\_Report\\_13-14.pdf](http://www.first5california.com/pdf/annual_report_pdfs/Annual_Report_13-14.pdf)

**FISCAL IMPACT**

There is no fiscal impact for this approval.

**RECOMMENDATION**

To review and approve the 2013-14 First 5 California State Annual Report

Submitted by:

Reviewed by:

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Chris Hwang  
Evaluation & Technology Administrator

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Janis Burger,  
Chief Executive Officer