



**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE MEETING**

DATE: Monday, June 11, 2018
TIME: 9:00 AM to 10:00 AM
ADDRESS: 1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

MEMBERS: Pam Frisella, Michael Garb, Rosanne Foust

STAFF: Kitty Lopez, Khanh Chau

AGENDA

1.	Approval of the Finance and Administration Committee Agenda	Garb
2.	Approval of the April 16, 2018 Finance and Administration Committee Meeting Minutes (See Attachment 2)	Garb
3.	Review Budget Monitoring Report as of April 30, 2018 (See Attachments 3-3C)	Lopez / Chau
4.	Review and Recommend Approval of F5SMC FY18-19 Draft Budget (See Attachments 4-4C)	Lopez / Chau
5.	Review and Recommend Approval of F5SMC LTFP (FY2017-18 Update) (See Attachments 5-5C)	Lopez / Chau
6.	Review and Recommend Approval of Communication Consultation Services to Runyon Saltzamn Inc. (RSE) in the Amount of \$99,396, Contract Term effective July 1, 2018 through June 30, 2018 (See Attachments 6-6A)	Lopez/ Blakely
7.	Review and Recommend Approval of Amendments to Agreements for the First 5 California IMPACT Grant to San Mateo Office of Education in the Amount of \$1,327,526, and to Child Care Coordinating Council of San Mateo County, Inc., Contract Term effective May 1, 2016 through June 30, 2020 (See Attachments 7-7C)	Lopez/ Chau
8.	Verbal Update: Watch Me Grow Contract Amendment	Lopez/ Blakely

Next Meeting: July 9, 2018

**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES**

April 16, 2018

- Commission Member: Michael Garb, Rosanne Foust
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

Commissioner Frisella absent.

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the April 16, 2018 Finance and Administration Committee Meeting Agenda was made by Commissioner Foust, seconded by Commissioner Garb. Unanimously approved.

2. Approval of the February 12, 2018 Finance and Administration Committee Meeting Minutes

A Motion for Approval of the February 12, 2018 Finance and Administration Committee Meeting Minutes was made by Commissioner Foust, seconded by Commissioner Garb. Unanimously approved.

3. Review Budget Monitoring Report as of March 31, 2018

Kitty Lopez briefly highlighted key points of the Budget Monitoring Report as of March 31, 2018. The County's budget terminologies are now added to the Budget Monitoring Report memo and Budget Monitoring Report spreadsheet. Kitty restated, there is an additional 2.3% drop in Prop 10 Tax Revenue projections to F5SMC based on more accurate information from State Department of Finance. First 5 San Mateo County's (F5SMC) Prop 10 Tax Revenue projections for FY17-18 is now \$4,967,854 from \$5,086,486. The IMPACT grant revenue projection is low due to underspending by executing partners. We have received new revenue sources from the Help Me Grow grant and San Bruno Community Foundation.

Total Appropriations produce net projections with 10% lower than YTD benchmark in both Program Appropriations and Administrative Appropriations.

Committee members asked questions about the laptop purchase, Official Bond insurance and the MAA. Staff Khanh Chau responded that the laptop purchase is for a new hire since some laptop with current 4 years of service life have functional problems. As for the Official Bond Insurance, Kitty Lopez cited that F5SMC is a county department, we are covered by the same Official Bond Insurance of the County; Kitty added that the MAA refers to the Medi-Cal Administrative Activity for reimbursement from Federal Government towards local public expenditures in supporting Medi-Cal outreach, assisting with access to Medi-Cal programs and program planning. F5SMC is currently exploring the opportunity to work with

the County Health System to determine if F5SMC staff and/or grantees can claim for this federal funding.

Committee members also reviewed the Persimmony report of Grant Budget to Actual presenting YTD Expenditures of multiple grants under Strategic Plan Implementation Plan (SPIP) funding. Committee members suggested renaming the report columns and complimented the usefulness of the report.

4. Review and Recommend Approval of Policies and Bylaws

Committee members reviewed F5SMC's policies and Bylaws; asked question if Consultant is subject to file the Conflict of Interest form as indicated on the Conflict of Interest Policy. Kitty Lopez did not recall this requirement but will check this topic with County Counsel. Committee member asked where the Admin Cost rate is reported on the Budget Monitoring report; staff Khanh Chau responded that the Admin Cost Rate is reported below the Total Appropriations on the Budget Monitoring Report spreadsheet; YTD Admin Cost rate as of March 31, 2018 is 10%.

Committee members suggested consistent use of First 5 San Mateo County name across all F5SMC's Policies (i.e *First 5 San Mateo County* instead of *First Five San Mateo County* in the Delegation of Authority Policy) and removal of the underline and red lines in the Bylaws.

A Motion for Recommend Approval of Policies and Bylaws was made by Commissioner Foust, seconded by Commissioner Garb. Unanimously approved.

5. Review and Recommend Approval of the Agreement for the Help Me Grow Consultation Services with Cheryl Oku

Staff member Emily Roberts joined the meeting to present the Help Me Grow Consultation agenda item with Cheryl Oku Consulting. Roberts shared that during the last 10 years, F5SMC has funded the Watch Me Grow Initiative, a Special Needs Project, which focuses on screening, care coordination, and support services. Embedded in F5SMC's current Watch Me Grow program is a small amount of funding dedicated to covering the emerging Help Me Grow activities, which is being led by Cheryl Oku, a Gatepath employee. The Help Me Grow program provides a universal access point for children, families, and providers and serves as the 'glue' to connect families to services. With the expansion of the Help Me Grow model across multiple states and California counties, and our local momentum to launch the model in SMC, F5SMC seeks to hire Cheryl Oku as the consultant to lead the coordination and operations of the Help Me Grow Initiative. Funding for the Help Me Grow contract with Cheryl Oku includes \$136,941 as a reduction of the Watch Me Grow grant during period FY18-20; \$95,200 funded from the David and Lucile Packard Foundation Help Me Grow grant; and \$1,099 funded from the F5SMC Emerging Project budget line. Program Specialist Emily Roberts cited that the contract will be a sole source, due to Cheryl Oku's unique knowledge of both the Help Me Grow model and the developmental services landscape in San Mateo County.

Kitty Lopez commented that the ability to leverage David and Lucile Packard Foundation and Peninsula Health Care District grants is an example of increasing the reach and ability to leverage additional community investments.

Committee members endorsed staff's recommendation and commended both the WMG and HMG initiatives. Members support the increased leadership role of F5SMC with the hiring of this consultant and value the increased visibility of F5SMC in the community.

A Motion for Recommend Approval of Policies and Bylaws was made by Commissioner Foust, seconded by Commissioner Garb. Unanimously approved.

6. Verbal Discussion

Audit Services RFQ: Kitty Lopez reported 2 audit services quotations were received out of the 4 RFQs were sent to 4 selected audit firms; the F5SMC's current auditor offer is the most competitive. Kitty cited that F5SMC has small fiscal operational staff and suggested to remain with the current auditor. Kitty Lopez also made reference to County of San Mateo having employed the same auditor for 20+years.

Committee members supported the hiring of the current auditor citing that staff has done thorough fiscal job and we have had clean audit reports for multiple years.

Fund Balance and Reserves Languages for F5SMC Budget and LTFP versus County's comparable terms

We started adding County's budget terminologies to the Budget Monitoring Report as of March 31, 2018 and to FY18-19 Budget that will be presented to the Commission in the coming month. As for Long-Term Financial Plan (LTFP) FY17-18, we will rename the Reserves term on our previous LTFP to the Pension Liability and Operational Reserves to differentiate with the County Reserves term (a comparable term to F5SMC's Fund Balance).

Budget FY18-19 agenda at the June 25, 2018 Commission Meeting

Kitty Lopez informed that she may miss the May 21st, 2018 Commission meeting due to potential participation in a policy advocacy leadership training held by F5 Association in May 2018. Both Commission Chair and Commission Vice Chair have supported this training opportunity. Kitty Lopez suggested the F5SMC's FY18-19 Budget be presented at the June 25, 2018 Commission Meeting while the FY18-19 Budget Assumptions will be discussed at the May 14, 2018 Finance and Administration Committee Meeting.

Committee members discussed and confirmed the next Meeting on Monday May 14, 2018 from 9:00AM-10:00AM at the F5SMC office

Commissioner Garb adjourned the meeting at 9:45AM.

DATE: May 14, 2018
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of April 30, 2018

BUDGET MONITORING REPORT as of April 30, 2018 HIGHLIGHTS

County's Budget Terminologies

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add Budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system. See attachment 8 of March 26, 2018 Commission Meeting packet for further details.

**Total Sources, Net Appropriations, Reserves, Total Requirements are terminologies used by the County of San Mateo.*

Budget Monitoring Report as of April 30, 2018 Highlights

The Budget Monitoring Report as of April 30, 2018 is presented in detail as **Attachment 3B** and in summary as **Attachment 3C**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 83.3%

REVENUES

- YTD Interest Revenue projection is \$127K or 102%, representing a positive variance or 19% higher than YTD Benchmark due to higher interest earning rate in the County investment pool.
- YTD Prop 10 Tax Revenue projections are \$4.176 million or 82%, representing 1% negative variance below YTD Benchmark.
- YTD IMPACT Grant Revenue projection is \$414K or 61%, representing 22% below YTD Benchmark due to slow grant administration by executing partner.
- Help Me Grow Grant Revenue is partially recognized by \$15K in FY17-18. Total grant award is \$300K with execution timeline through FY18-19.
- The San Bruno Community Foundation grant revenue is partially recognized by \$5K in FY17-18.
- YTD Total Revenues projections are \$4.738 million or 79%, representing a negative variance or 4% lower than YTD Benchmark. Major attributable factors to this negative variance are associated with slow execution of the IMPACT grant and delayed execution of the Help Me Grow grant in FY17-18.

APPROPRIATIONS

- YTD Program Expenditures projections are \$6.027 million or 66%, representing a positive variance or 17% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and rolling out of the Policy Advocacy, Communications and System Changes-unallocated fund; slow execution of the IMPACT grant and delayed execution of the Help Me Grow grant in FY17-18. However, most grants awarded under F5SMC Strategic Plan Implementation Plan are expected to be fully executed in this FY17-18 as the last year of the contract terms.

Attachment 3A

- YTD Administrative Expenditures projections of \$808K or 75%, representing a positive variance or 8% below YTD Benchmark. Major contributions to this positive variance are attributable to underspending in various administrative areas and saving from delayed hiring of Extra-Help staff.
- **YTD Total Appropriations (Total Net Appropriations*)** projections are \$6.835 million or 67%, representing a positive variance or 16% below YTD Benchmark. Major contributions to this positive variance are attributable to under spending in both Program and Administrative Appropriations and savings in various Administrative budget lines.

ENDING FUND BALANCE (RESERVES*)

- At this time, we are projecting Ending Fund balance (**Reserves***) of \$12.825 million or 119%, representing a positive variance of 19% or \$2.085 million higher than the planned budget.

Major contributions to this positive variance are attributable to higher Interest Revenue, lower IMPACT grant revenue projection and under spending in both Program and Administrative Appropriations at the beginning of the fiscal year.

CHALLENGES:

- None at this time.

YTD Benchmark Percentage : 83.3%

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals	YTD Accruals *	YTD Combined	YTD Combined versus Planned Budget (%)	NOTES
REVENUE							
BEGINNING FUND BALANCE BEGINNING (BEGINNING RESERVES*)		14,922,527	14,922,527		14,922,527	100%	
Interest	19510-1521	125,002	116,617	10,417	127,034	102%	\$10K is April'18 Interest Revenue estimate. Positive variance due to higher interest earning rate from the county investment pool in recent months.
Tobacco Tax - Prop 10	19510-1861	5,086,486	3,761,905	413,917	4,175,822	82%	
IMPACT Grant	19510-1861	673,815	189,780	224,605	414,385	61%	\$224K are Q3 and April' 18 revenue estimates. Slow grant administration by executing partner.
Help Me Grow Grant	19510 - 2643	100,000		15,000	15,000	15%	Will bill staff time for the Help Me Grow Grant in FY17-18; contract starts execution in FY18-19
San Bruno Community Foundation Grant	19510 - 2643			5,000	5,000		
F5SMC Wellness Grant	19510-2545		774	-	774		
Miscellaneous Reimbursements	19510-2647	0			-		
TOTAL REVENUE		5,985,303	4,069,076	668,939	4,738,014	79%	Negative variance is due to slow execution of the IMPACT grant and delayed execution of the Help Me Grow grant .
TOTAL AVAILABLE FUND (TOTAL SOURCES*)		20,907,830	18,991,603	668,939	19,660,541		
APPROPRIATIONS							
1. PROGRAMS							
Family Engagement	19540-6125	2,428,341	1,085,146	730,338	1,815,484	75%	\$527K are Q3'18 expenditure accruals and \$202K is April'18 expenditure estimates..
Kit for New Parent KNP (KNP)	19540-6266	41,000	22,250	18,750	41,000	100%	Part of FY16-17 KNP order is delivered in FY17-18. \$18K are expenditure accruals for pending Kit being built
Child Health & Development	19540-6156	1,808,352	734,569	504,603	1,239,172	69%	\$267K are Q3'18 expenditure accruals and \$236K are April'18 expenditure estimates.
Early Learning	19540-6263	2,351,935	842,375	777,862	1,620,237	69%	\$580K are Q3'18 expenditure accruals and \$196K are April'18 expenditure estimates.
Early Learning - Regional Cost Sharing	19540-6263	30,000			-	0%	No regional cost sharing project with other F5s at this time.
Help Me Grow Grant	19540-6131	85,000				0%	Delayed executed grant in this fiscal year due to grant is in early planning process.
IMPACT Grant	19540-6126	623,815	150,248	155,966	306,214	49%	\$103K are Q3'18 expenditure accruals and \$52K are April'18 expenditure estimates. Slow grant administration by executing partner.
Policy Advocacy, Communications & Systems Change	19540-6814	505,959	207,277	131,491	338,768	67%	\$89K are Q3'18 expenditure accruals and \$42K are April'18 expenditure estimates.
Unallocated Fund - Policy Advocacy, Communications & Systems Changes (PAC)	19540-6814	371,500	36,581	15,000	54,581	15%	Pending planning and rolling out the PAC - Unallocated fund.
Other Communications - Sponsorship	19540-6814	10,000	-	-	-	0%	
Program Salary & Benefits		538,098	385,791		385,791	72%	Saving due to delayed hiring of Extra Help staff.
Grant Management and Big Data	19540-6265	147,850	67,520	35,613	103,133	70%	\$23K are Q3'18 expenditure accruals and \$12K is April '18 expenditure estimate.
Evaluation - Salaries & Benefits		154,057	122,971		122,971	80%	Delayed posting of Retirement Health expenses by the County
TOTAL PROGRAM APPROPRIATIONS		9,095,907	3,654,728	2,369,623	6,027,351	66%	Positive variance due to slow execution of the IMPACT grant, delayed execution of the Help Me Grow grant to FY18-19, and pending planning and rolling out the PAC-Unallocated fund.

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals	YTD Accruals *	YTD Combined	YTD Combined versus Planned Budget (%)	NOTES
2. ADMINISTRATIVE			-	-	-		
Salaries and Benefits		660,222	513,311		513,311	78%	Saving due to delayed hiring of Extra Help staff and delayed posting of Retirement Health expenses by the County
Services and Supplies							-
Outside Printing & Copy Svc	19510-5191	4,000	157	-	157	4%	No major printing of outreach and marketing materials at this time.
General Office Supplies	19510-5193	11,400	10,873		10,873	95%	\$2K of underspending fund from FY16-17 is carried over to FY17-18 for the pending purchases of standing desks and workstation ergonomic improvements.
Photocopy Lease & Usage	19510-5196	2,500	865		865	35%	Below average of the Photocopy usage.
Computer Supplies	19510-5211	10,000	1,955	5,000	6,955	70%	\$1.9K is for the new laptop purchase for new employee. \$5K is expenditure estimate for the Evaluation Statistic software license.
County Memberships - (e.g. F5 Assn Dues)	19510-5331	17,500	13,666	-	13,666	78%	Full year of F5CA Association Membership dues
Auto Allowance	19510-5712	11,000	9,174	-	9,174	83%	-
Meetings & Conference Expense	19510-5721	13,000	6,237	-	6,237	48%	Additional staff travel and conference expenses to occur in the second half of the fiscal year.
Commissioners Meetings & Conference Exp	19510-5723	3,000	2,033		2,033	68%	
Other Business Travel expense	19510-5724	5,000	2,978		2,978	60%	Additional staff travel and conference expenses to occur in the second half of the fiscal year.
Dept. Employee Training Expense	19510-5731	5,000	3,500	500	4,000	80%	ED's leadership training in Policy Advocacy held by F5CA
Wellness grant	19510-5856		680	-	680		
Other Professional Services	19510-5858	40,000	13,382	13,000	26,382	66%	\$13K is expenditure estimate in MAA activities; pending billing from consultants.
Sub Total - Services & Supply		122,400	65,500	18,500	84,000	69%	Positive variance due to underspending in Other Professional Services and various administrative budget lines.
Other Charges				-			
Telephone Service Charges	19510-6712	4,000	2,800	333	3,133	78%	\$333 is April'18 expenditure estimate
Automation Services - ISD	19510-6713	48,000	33,170	4,000	37,170	77%	\$4K is April'18 expenditure estimate
Annual Facilities Lease	19510-6716	96,000	79,163		79,163	82%	
General Liability Insurance	19510-6725	7,500	5,826		5,826	78%	-
Official Bond Insurance	19510-6727	600	203		203	34%	-
Human Resources Services	19510-6733	5,350	269		269	5%	No employee training activities at this time
Countywide Security Services	19510-6738	500	449	-	449	90%	Full year service charges.
All Other Service Charges	19510-6739	60,000	22,261	7,000	29,261	49%	Saving in the audit services cost. \$7K are expenditure estimates of county counsel and Controller Office services
A-87 Expense	19510-6821	67,700	54,897		54,897	81%	\$5.6K is Mar'18 expenditure estimate
Sub Total - Other Charges		289,650	199,038	11,333	210,371	73%	Major savings are associated with the audit service cost saving, the reduction of A87 Allocation, and no employee training activities at this time.
TOTAL ADMINISTRATIVE APPROPRIATIONS		1,072,272	777,849	29,833	807,682	75%	Positive variances due to underspending and savings in various Administrative budget lines.
Administrative Cost %		11%	18%	1%	12%		-

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals	YTD Accruals *	YTD Combined	YTD Combined versus Planned Budget (%)	NOTES
							-
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		10,168,179	4,432,577	2,399,457	6,835,033	67%	Positive variances due to underspending in both Program and Administrative Budgets.
							-
ENDING FUND BALANCE (ENDING RESERVES*)		10,739,651	14,559,026	-1,730,518	12,825,508	119%	Positive variances are associated with underspending in both Program and Administrative Appropriations.
							-
Program Staff		538,098	385,791	-	385,791	72%	Saving due to delayed hiring of Extra-Help staff.
Evaluation Staff		154,057	122,971	-	122,971	80%	County did not post the Retirement Healthcare cost yet.
Admin Staff		660,222	513,311	-	513,311	78%	County did not post the Retirement Healthcare cost yet.
Total Salaries and Benefits		1,352,377	1,022,073	0	1,022,073	76%	Positive variances due to delayed hiring of Extra-Help staff.

Note 1:

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add Budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system. See attachment 8 of March 26, 2018 Commission Meeting packet for further details.

*Total Sources, Net Appropriations, Reserves, Total Requirements are terminologies used by the County of San Mateo.

Note 2:

This Budget Monitoring Report is presented in a Hybrid Format as per suggestion of Finance and Administration Committee members.

The YTD Actuals column reflects Actual Revenues and Actual Expenditures reported in Countywide OFAS Accounting System.

The YTD Accruals* (with an asterisk) column is a hybrid presentation using Modified Accrual Accounting or Projections. When Revenue and Expenditures are not measurable in monetary terms or are not available, Committee members suggest to make a Projection for the reporting month.

Technical Terms

1. Modified Accrual

Under Modified Accrual, Revenue is recognized and recorded when measurable and available to finance the expenditures of the current period; Available, under Modified Accrual, means collectible within the current period or soon enough to be used to pay liabilities of the current period; Measurable means quantifiable in monetary terms. Per F5CA, Prop 10 Tax Revenue is recorded when the Prop 10 Tax Revenue is posted on the F5CA website.

Expenditures are recognized and recorded when the related liability incurred with some exceptions.

2. Internal Reporting

The Budget Monitoring Report is an internal report, typically is designed to accomplish two goals:

- (a) allows management to monitor compliance with legal and contractual provisions applicable to the management of public funds; and
- (b) provides management with the information on current performance that it needs to make future financial plans.

Because internal reports are designed to serve the needs of management, management is free to select the format and content it believes is most relevant, with timeliness being a key consideration for their use as monitoring or planning documents.

References

- 1. Modified Accrual: Becker CPA Review, Financial, 2009 Edition Textbook, page F8-12
- 2. Internal Reporting: First 5 Association of California - Financial Management Guide - Fifth Edition, 2015, Updated 12/15/15, page 51

YTD Benchmark Percentage : 83.3%

	FY17-18 Revised Budget	YTD Actuals	YTD Accruals *	YTD Combined	YTD Combined versus Planned Budget (%)	NOTES
REVENUE						
BEGINNING FUND BALANCE BEGINNING (BEGINNING RESERVES*)	\$ 14,922,527	\$ 14,922,527	\$ -	\$ 14,922,527		0
Interest	125,002	116,617	10,417	127,034	102%	\$10K is April'18 Interest Revenue estimate. Positive variance due to higher interest earning rate from the county investment pool in recent months.
Tobacco Tax - Prop 10	5,086,486	3,761,905	413,917	4,175,822	82%	
IMPACT grant	673,815	189,780	224,605	414,385	61%	\$224K are Q3 and April' 18 revenue estimates. Slow grant administration by executing partner.
Help Me Grow Grant	100,000	-	15,000	15,000	15%	Will bill staff time for the Help Me Grow Grant in FY17-18; contract starts execution in FY18-19
San Bruno Community Foundation Grant		-		5,000		
Wellness Grant	-	774	-	774		-
Miscellaneous Reimbursements	-	-	-	-		-
TOTAL REVENUE	5,985,303	4,069,076	663,939	4,738,014	79%	Negative variance is due to slow execution of the IMPACT grant and delayed execution of the Help Me Grow grant .
TOTAL AVAILABLE FUND (TOTAL SOURCES*)	20,907,830	18,991,603	663,939	19,660,541		
APPROPRIATIONS						
1. PROGRAMS						
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Kit for New Parent KNP (KNP)	41,000	22,250	18,750	41,000	100%	Part of FY16-17 KNP order is delivered in FY17-18. \$18K are expenditure accruals for pending Kit being built
Child Health & Development	1,808,352	734,569	504,603	1,239,172	69%	\$267K are Q3'18 expenditure accruals and \$236K are April'18 expenditure estimates.
Early Learning	2,351,935	842,375	777,862	1,620,237	69%	\$580K are Q3'18 expenditure accruals and \$196K are April'18 expenditure estimates.
Early Learning - Regional Cost Sharing	30,000	0	0	0	0%	No regional cost sharing project with other F5s at this time.
Help Me Grow grant	85,000	0	0	0	0%	Delayed executed grant in this fiscal year due to grant is in early planning process.
IMPACT Grant	623,815	150,248	155,966	306,214	49%	\$103K are Q3'18 expenditure accruals and \$52K are April'18 expenditure estimates. Slow grant administration by executing partner.
Policy Advocacy, Communications & Systems Change	505,959	207,277	131,491	338,768	67%	\$89K are Q3'18 expenditure accruals and \$42K are April'18 expenditure estimates.
Unallocated Fund - Policy Advocacy, Communications & Systems Changes (PAC)	371,500	36,581	15,000	54,581	15%	Pending planning and rolling out the PAC - Unallocated fund.
Other Communications	10,000	0	0	0	0%	-
Program Salary & Benefits	538,098	385,791	-	385,791	72%	Saving due to delayed hiring of Extra Help staff.
Evaluation	-	-	-	-	#DIV/0!	-
Grant Management and Big Data	147,850	67,520	35,613	103,133	70%	\$23K are Q3'18 expenditure accruals and \$12K is April '18 expenditure estimate.
Evaluation - Salaries & Benefits	154,057	122,971	-	122,971	80%	Delayed posting of Retirement Health expenses by the County
TOTAL PROGRAM APPROPRIATIONS	9,095,907	3,654,728	2,369,623	6,027,351	66%	Positive variance due to slow execution of the IMPACT grant, delayed execution of the Help Me Grow grant to FY18-19, and pending planning and rolling out the PAC-Unallocated fund.

	FY17-18 Revised Budget	YTD Actuals	YTD Accruals *	YTD Combined	YTD Combined versus Planned Budget (%)	NOTES
2. ADMINISTRATIVE						
Salaries and Benefits	660,222	513,311	-	513,311	78%	
Sub Total - Services & Supply	122,400	65,500	18,500	84,000	69%	Positive variance due to underspending in Other Professional Services and various administrative budget lines.
Sub Total - Other Charges	289,650	199,038	11,333	210,371	73%	Major savings are associated with the audit service cost saving, the reduction of A87 Allocation, and no employee training activities at this time.
			-	-		
TOTAL ADMINISTRATIVE APPROPRIATIONS	1,072,272	777,849	29,833	807,682	75%	Positive variances due to underspending and savings in various Administrative budget lines.
Administrative Cost %	11%	18%		12%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	10,168,179	4,432,577	2,399,457	6,835,033	67%	Positive variances due to underspending in both Program and Administrative Budgets.
ENDING FUND BALANCE (ENDING RESERVES*)	10,739,651	14,559,026	-1,735,518	12,825,508	119%	Positive variances are associated with underspending in both Program and Administrative Appropriations.
Total Salaries and Benefits	1,352,377	1,022,073	1	1,022,074	76%	Positive variances due to delayed hiring of Extra-Help staff.

Note 1:

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add Budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system. See attachment 8 of March 26, 2018 Commission Meeting packet for further details.

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Technical Terms

1. Modified Accrual

Under Modified Accrual, Revenue is recognized and recorded when measurable and available to finance the expenditures of the current period; Available, under Modified Accrual, means collectible within the current period or soon enough to be used to pay liabilities of the current period; Measurable means quantifiable in monetary terms. Per F5CA, Prop 10 Tax Revenue is recorded when the Prop 10 Tax Revenue is posted on the F5CA website.

Expenditures are recognized and recorded when the related liability incurred with some exceptions.

2. Internal Reporting

The Budget Monitoring Report is an internal report, typically is designed to accomplish two goals:

- (a) allows management to monitor compliance with legal and contractual provisions applicable to the management of public funds; and
- (b) provides management with the information on current performance that it needs to make future financial plans.

Because internal reports are designed to serve the needs of management, management is free to select the format and content it believes is most relevant, with timeliness being a key consideration for their use as monitoring or planning documents.

References

- 1. Modified Accrual: Becker CPA Review, Financial, 2009 Edition Textbook, page F8-12
- 2. Internal Reporting: First 5 Association of California - Financial Management Guide - Fifth Edition, 2015, Updated 12/15/15, page 51

DATE: June 11, 2018
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Review and Recommend Approval of F5SMC's FY2018-19 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY2018-19 Adopted Budget

ACTION REQUESTED

Review and Recommend Approval of F5SMC's FY2018-19 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY2018-19 Adopted Budget

BACKGROUND

Per the County Budget Act (Government Code §§ 29000-29144, 30200 and 53065), the County Manager's Office and the County Controller's Office have requested F5SMC include the language of the use of Reserves in its Budget memo to the Commission.

Since its inception, F5SMC has used different terminologies in its audit reports, budget documents, and Long-Term Financial Plan than those used by the County of San Mateo. The rationales are for (1) comparable terminologies used across F5SMC's audit reports, budget documents, and Long-Term Financial Plan; (2) for the usefulness of the general public; and (3) for consistent language used by First 5 California and by other First 5 Commissions throughout the State. Moving forward, F5SMC will add terminologies used by the County to F5SMC Budget.

FY2018-19 DRAFT BUDGET - BUDGET ASSUMPTIONS and CHANGES

- A. FY2017-18 YEAR-END PROJECTIONS** are based on the Budget Monitoring Report as of April 30, 2018.
- B. FY2018-19 BEGINNING FUND BALANCE** is the Ending Fund Balance of FY2017-18 Year-End Projections, which is \$11.195M.

C. FY2018-19 REVENUES

C1. Assumptions

Interest Revenue Projection

- Projected Interest earning rate of 1.0% on the projected Ending Fund Balance of FY2017-18.

Prop 10 Tax Revenue Projections

- First 5 California released new projections and allocations of Prop 10 Tax Revenues to F5 Commissions on May 22, 2018;
- New projections are slightly higher than previous projections and are based on updated General Fund five-year projections from Department of Finance of the State of California.
- First 5 Commissions will receive back-fill in FY2018-19 to compensate for the drop in Prop 10 Tax Revenue in FY2017-18 due to various tobacco tax laws implementation.

Other Non-Prop 10 Revenue

- F5SMC has received various Non-Prop 10 Grants from various Foundations and other entities.

C2. Revenues Budget is \$6.740M or a net increase of 13% or \$754K increase.

Increases

- \$696K increase or 14% increase in Prop 10 Tax Revenue projections associated with back-fill and newly positive Prop 10 Tax revenue projections
- \$220K increase in various Other Non-Prop 10 Grant revenues, i.e: David Lucile Packard Foundation, Peninsula Healthcare District, and San Bruno Community Foundation.

Decreases

- \$13K decrease or 11% decrease in Interest Revenue due to lower Beginning Fund Balance.
- \$149K decrease or 22% decrease of IMPACT grant revenue. However, it is anticipated the IMPACT grant revenue revision due to large underspending in FY2017-18.

D. FY2018-19 PROGRAM APPROPRIATIONS:

D1. Assumptions

Appropriations for (1) Community Investments (Family Engagement, Child Health Development, and Early Learning), (2) Policy Advocacy, Communications, and System Changes, and (3) Evaluation are budgeted based on the following assumptions:

- Approved Strategic Plan Implementation Plan (SPIP) Funding Allocations for the period FY2018-20 that was approved at the August 27, 2017 Commission Meeting.
- Executed IMPACT Grant, Help Me Grow Grant, Build-Up for Kids Grant, Help Me Grow Call Center Grant.
- 100% Program and Evaluation Staff's Salaries and Benefits are allocated in the Program Appropriations session as previously guided and approved by the Finance and Administrative Committee and Commission.
- Increasing efforts in Policy Advocacy, Communication, and System Changes (PAC) and searching for new revenue source acquisition.

D2. Program Appropriations Budget is \$7.688M or a net decrease of 15% or \$1.407M decrease.

Increases

- \$398K total increases as per approved SPIP Funding Allocations FY2018-20 include:
 - ✓ \$23K or 5% increase in Policy, Advocacy, Communications, and System Changes (PAC);
 - ✓ \$200K increase of Emerging Projects;
 - ✓ \$14K increase or 10% increase in the Online Grant Management and Big Data projects.
 - ✓ \$145K increase in Other Evaluation projects
 - ✓ \$16K increase or 50% increase in Kit for new Parents and Regional Cost Sharing
- \$240K Other Increases include:
 - ✓ \$180K increase or 200% increase in the Help Me Grow grant and Build-Up Kids grant budgets.

- ✓ \$60K combined increase or 8% increase in Program and Evaluation Staff's Salaries and Benefits Budgets due to Extra-Help staff being hired and projected 3% COLA and 9% healthcare cost increases.

Decreases

- Decreases as per approved SPIP Funding Allocations FY2018-20 include:

- ✓ \$1.609 M decrease or 32% net decrease in Family Engagement, Children Health Development, and Early Learning investments as per approved SPIP Funding Allocations FY2018-20.

It is noted that when comparing FY2018-19 Draft Budget with FY2017-18 Revised Budget, the reduction in Program Appropriations looks larger due to most grants having higher budgets in FY2017-18 as the last year of its 3-year grant cycle. However, when comparing average investment reduction in FY2018-20 and FY2015-18, the average investment reduction in 3 focus areas in FY2018-20 is only 3.4%.

- ✓ \$271K net decrease or 73% net decrease in Policy, Advocacy, Communications, and System Changes (PAC) unallocated fund which will return to Ending Fund Balance except \$100K will be carried over to FY2018-19 as part of the F5SMC contribution to the Help Me Grow Call Centers Grant.
- Other decreases include
 - ✓ \$206K decrease or 33% decrease of the IMPACT grant budget at its 4th year of grant execution. However, it is anticipated that the IMPACT grant will have budget revision when the underspending fund become available after the FY2017-18 Year-End Close.

E. FY2018-19 ADMINISTRATIVE APPROPRIATIONS:

Administrative Appropriations Budget is \$1.100M or 3% increase or \$27K increase.

Increases

- \$5K increase or 50% increase in Computer Supplies budget for 3 new laptop purchases as the replacements of 3 out of 9 laptops currently at the 4th year of computer service life.
- \$20K increase or 50% increase in Other Professional Services for the strategic plan consultation, MAA, and \$20K place holder.
- \$12.5K increase or 2% increase in Admin staff Salaries and Benefits

Decreases

- \$5.4K net decrease or 30% decrease in Outside Printing, General Office Supplies, and Photocopier Lease.
- \$4.3K net decrease or 4% decrease in Annual Facilities Lease and Human Resource Services.

F. FY2018-19 SALARY AND BENEFITS:

F1. Assumptions

- 3% COLA projections
- 9% healthcare cost increase projections
- Staff salary adjustments

F2. Projected Salary and Benefit Budget is \$1.425M or a net increase of 5% or \$73K

- Retain the current staff structure; include the current 0.75 FTE Agile position of the Program Admin Assistant.
- Include approximately \$80K Personnel cost or a 0.5FTE equivalent position that will be funded annually from the F5SMC's IMPACT Grant Base Layer revenue; and
- Include an additional \$30K Personnel cost or a 0.18 FTE equivalent position that will be funded from the Help Me Grow Grant in FY18-19.

G. FY2018-19 ENDING FUND BALANCE (Reserves*):

Ending Fund Balance (Reserves*) is \$9.147M or 15% decrease or \$1.591 M decrease.

I. FY2018-19 DRAFT BUDGET SUMMARY

FY2018-19 Draft Budget is presented in **Attachment 4A** and is summarized as following:

	FY18-19 Draft Budget	Variances vs FY17-18 Revised Budget
REVENUE		
• Beginning Fund Balance FY2018-19	11,195,788	-25%
• Projected Total Revenues	6,740,017	13%
• Total Available Funds (Total Sources*)	\$17,935,805	-14%
PROGRAM APPROPRIATIONS		
• Program Appropriations	6,935,240	-18%
• Program staff's salaries and benefits	591,149	10%
• Evaluation staff's salaries and benefits	161,632	5%
• Total Program Appropriations	\$7,688,021	-15%
ADMINISTRATIVE APPROPRIATIONS		
• Services and Supplies	142,000	16%
• Other Services Charges	285,300	-2%
• Admin Salaries and Benefits	672,719	2%
• Total Administrative Appropriations	\$1,100,019	3%
TOTAL APPROPRIATIONS (Net Appropriations*)	\$8,788,040	-14%
ENDING FUND BALANCE, FY2018-19 (Reserves*)	\$9,147,765	-15%
SURPLUS / (DEFICIT) (Total Revenues – Net Appropriations*)	(\$2,048,023)	

Total Sources, Net Appropriations*, Reserves*, Total Requirements* are budget terminologies used by the County of San Mateo.*

II. ISSUE TO CONSIDER

- We anticipate having FY2018-19 Budget Revision in February 2019 once (1) all funding of Cycle 4 contracts are fully executed and (2) FY2017-18 under spending funds of various grants become available after FY2017-18 Year-End Close.

III. FISCAL IMPACT

- Admin cost rate of 13% is within the current approved rate of the Admin Cost Rate Policy.
- FY2018-19 Draft Budget has a budget deficit of \$2.008M due to F5SMC continues to invest in Community with higher fiscal Appropriations than its fiscal revenue, as per F5SMC's strategic plan.
- F5SMC continues draw down \$2.048M from Ending Fund Balance (Reserves*) to fund its FY2018-19 Adopted Budget.

ACTION

Review and Recommend Approval of F5SMC's FY2018-19 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY2018-19 Adopted Budget

	ORG/ACCT#	FY17-18 Revised Budget	YTD April 30, 2018	FY17-18 Year-End Projections	FY18-19 Draft Budget	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (\$)	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (%)	NOTES FY 18-19 Draft Budget
REVENUE								
FUND BALANCE (Beginning)		14,922,527	14,922,527	14,922,527	11,195,788	-3,726,739	-25%	Annual withdrawal from Fund Balance (Reserves) of \$3mio - \$4 mio, as per the current strategic plan.
Interest	19510-1521	125,002	127,034	150,000.00	111,958	(13,044)	-10%	Projected Interest earning rate of 1.0% in County Investment pool.
Tobacco Tax - Prop 10	19510-1861	5,086,486	4,175,822	5,154,239	5,783,319	696,833	14%	Back-fill associated with the Prop 10 Revenue drop in FY17-18 will be disbursed in FY18-19
IMPACT Grant	19510-1861	673,815	414,385	673,815	524,000	(149,815)	-22%	There will be revenue revision due grant underspending carry over to FY18-19 after the FY17-18 year-end close.
IMPACT HUB	19510-2658			66,200	-	-		One year grant end June 30, 2018
Help Me Grow Grant	19510-2658	100,000	15,000	15,000	285,000	185,000	185%	For FY17-18, we will bill staff time spending on grant contracting. Grant contracts will start July 1, 2018
San Bruno Community Foundation - Build-Up Kids Grant	19510-2658		5,000	5,000	10,740	10,740		
Peninsula Healthcare District - Help Me Grow Call Center Grant	19510-2658		-	-	25,000	25,000		
F5SMC Wellness Grant	19510-2545		774	774		-		-
Miscellaneous Reimbursements	19510-2647	0	-			-		
TOTAL REVENUE		5,985,303	4,738,014	6,065,028	6,740,017	754,714	13%	Major revenue increases are back-fill due to Prop 10 revenue drop in FY17-18 and new Non-Prop 10 grant awards.
TOTAL SOURCES* (Total Available Funds)		20,907,830	19,660,541	20,987,555	17,935,805	-2,972,025	-14%	
APPROPRIATIONS								
1. PROGRAMS								
Family Engagement	19540-6125	2,428,341	1,815,485	2,428,341	1,769,527	(658,814)	-27%	Approved SPIIP FY18-19 at the August '17 Commission Meeting. FY17-18's grant appropriations are generally higher in the last year of 3-year grant contracts.
Child Health & Development	19540-6156	1,808,352	1,239,172	1,768,352	1,635,000	(173,352)	-10%	Approved SPIIP FY18-19; \$40K SHEC contracts will be carried over to FY18-19 which was initially not planned.
Early Learning	19540-6263	2,351,935	1,620,237	2,351,935	1,615,000	(736,935)	-31%	Approved SPIIP FY18-19
Policy Advocacy, Communications & Systems Change	19540-6814	505,959	338,768	505,959	528,973	23,014	5%	Approved SPIIP FY18-19
Unallocated Fund - Policy Advocacy, Communications & Systems Changes (PAC)	19540-6814	371,500	54,581	70,000	100,000	(271,500)	-73%	\$100K PAC-Unallocated fund for HMG Call Centers will be carried over to FY18-19, which was originally not planned.
Other Communications - Sponsorship	19540-6814	10,000	-	10,000	10,000	-	0%	Approved SPIIP FY18-19

	ORG/ACCT#	FY17-18 Revised Budget	YTD April 30, 2018	FY17-18 Year-End Projections	FY18-19 Draft Budget	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (\$)	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (%)	NOTES FY 18-19 Draft Budget
Emerging Projects			-		200,000	200,000		Approved SPIP FY18-19
Kit for New Parent KNP (KNP)	19540-6814	41,000	41,000	41,000	42,000	1,000	2%	Approved SPIP FY18-19
Regional Cost Sharing	19540-6263	30,000	-	30,000	45,000	15,000	50%	Approved SPIP FY18-19
Program Salary & Benefits		538,098	385,791	538,098	591,149	53,051	10%	Delayed hiring Extra-Help staff results in saving in FY17-18.
Grant Management and Big Data	19540-6265	147,850	103,134	147,850	162,000	14,150	10%	Approved SPIP FY18-19
Other Evaluation Projects	19540-6265				145,000	145,000		Approved SPIP FY18-19
Evaluation - Salaries & Benefits		154,057	122,971	154,057	161,632	7,575	5%	
San Bruno Community Foundation grant - Build-Up Kids	19540-6131		-	5,000	10,740	10,740		
David Lucile Packard Foundation grant - Help Me Grow Grant	19540-6131	85,000	-	15,000	255,000	170,000	200%	
IMPACT Grant	19540-6126	623,815	306,202	623,815	417,000	(206,815)	-33%	It is anticipated grant budget revision due to large underspending carry over to FY18-19 after the FY17-18 close.
IMPACT HUB	19540-6126		-	60,000		-		One-year grant ends 6-30-2018
TOTAL PROGRAM APPROPRIATIONS		9,095,907	6,027,341	8,749,407	7,688,021	-1,407,886	-15%	
2. ADMINISTRATIVE			-			-		
Salaries and Benefits		660,222	513,311	660,222	672,719	12,497	2%	
Services and Supplies						-		
Outside Printing & Copy Svc	19510-5191	4,000	157	500	2,000	(2,000)	-50%	Place holder
General Office Supplies	19510-5193	11,400	10,873	11,400	8,500	(2,900)	-25%	One-time purchases of standing desks for ergonomic improvement in FY17-18.
Photocopy Lease & Usage	19510-5196	2,500	865	1,527	2,000	(500)	-20%	Saving in printing of Commission packets.
Computer Supplies	19510-5211	10,000	6,955	7,000	15,000	5,000	50%	\$5K budget for Evaluation Statistic software's annual license; \$6K budget for 3 new laptop replacements and \$4K place holder for emergency IT equipment needs.
County Memberships - (e.g. F5 Assn Dues)	19510-5331	17,500	13,666	15,000	17,500	-	0%	
Auto Allowance	19510-5712	11,000	9,174	11,000	11,000	-	0%	
Meetings & Conference Expense	19510-5721	13,000	6,237	13,000	13,000	-	0%	
Commissioners Meetings & Conference Exp	19510-5723	3,000	2,033	3,000	3,000	-	0%	
Other Business Travel expense	19510-5724	5,000	2,978	5,000	5,000	-	0%	
Dept. Employee Training Expense	19510-5731	5,000	4,000	4,000	5,000	-	0%	
Wellness grant	19510-5856		680	900		-		
Other Professional Services	19510-5858	40,000	26,382	40,000	60,000	20,000	50%	\$30K for VIVA Strategic Planning Consultation; \$10K for MAA; and \$20K place holder

	ORG/ACCT#	FY17-18 Revised Budget	YTD April 30, 2018	FY17-18 Year-End Projections	FY18-19 Draft Budget	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (\$)	FY18-19 Draft Budget (+/-) vs FY17-18 Revised Budget (%)	NOTES FY 18-19 Draft Budget
Sub Total - Services & Supply		122,400	84,000	112,327	142,000	19,600	16%	
Other Charges						-		1
Telephone Service Charges	19510-6712	4,000	3,133	4,000	4,000	-	0%	
Automation Services - ISD	19510-6713	48,000	37,170	45,170	48,000	-	0%	
Annual Facilities Lease	19510-6716	96,000	79,163	88,592	95,000	(1,000)	-1%	\$4K budget for one-time purchase of smaller office furniture fund carry over to FY18-19
General Liability Insurance	19510-6725	7,500	5,826	6,500	7,500	-	0%	
Official Bond Insurance	19510-6727	600	203	250	600	-	0%	
Human Resources Services	19510-6733	5,350	269	269	2,000	(3,350)	-63%	
Countywide Security Services	19510-6738	500	449	449	500	-	0%	
All Other Service Charges	19510-6739	60,000	29,261	40,000	60,000	-	0%	Audit services: \$20K; County Controller Office Services : \$5K; County Counsel Services: \$25K; Place holder \$10K
A-87 Expense	19510-6821	67,700	54,897	67,700	67,700	-	0%	
Sub Total - Other Charges		289,650	210,371	252,930	285,300	(4,350)	-2%	
TOTAL ADMINISTRATIVE APPROPRIATIONS		1,072,272	807,682	1,025,479	1,100,019	27,747	3%	
Administrative Cost %		11%	12%	10%	13%			
NET APPROPRIATIONS* (Total Appropriations)		10,168,179	6,835,023	9,774,886	8,788,040	-1,380,139	-14%	
RESERVES* (Ending Fund Balance)		10,739,651	12,825,518	11,195,788	9,147,765	-1,591,886	-15%	
Program Staff		538,098	385,791	538,098	591,149	53,051	10%	
Evaluation Staff		154,057	122,971	154,057	161,632	7,575	5%	
Admin Staff		660,222	513,311	660,222	672,719	12,497	2%	
Total Salaries and Benefits		1,352,377	1,022,073	1,352,377	1,425,500	73,123	5%	3% COLA projection, 9% increasing healthcare cost projections, and salary adjustments.

DATE: June 11, 2018

TO: First 5 San Mateo County Finance and Administration Committee

FROM: Kitty Lopez, Executive Director

RE: Review and Recommend Approval to Present Long-Term Financial Plan (LTFP) from FY2018-2019 through FY2024-2025 (FY17/18 Update) at the June 25, 2018 Commission Meeting

ACTION REQUESTED

Review and Recommend Approval to Present Long-Term Financial Plan (LTFP) from FY2018-2019 through FY2024-2025 (FY17/18 Update) at the June 25, 2018 Commission Meeting

BACKGROUND

1. Per Prop 10 Statutes, Section 103051(5), "Long-range financial plans, to determine whether state and county commissions have these plans and that the plans have been formally adopted by the commission in a public hearing." Each year all First 5 Commissions are required to publicly review and approve LTFP's for the continuation of Prop 10 Tax funding.
2. Prop 10 Tax Revenue Fund available for distribution is defined as Tobacco Tax collected by the Board of Equalization less Administrative costs and Backfill; 80% of which are dispersed to F5 County Commissions based on the birth rate and 20% of which is dispersed to First 5 California (F5CA) for mandated funding investments by category. F5CA has rolled out these mandated funding investments allowing F5 Commissions participation through competition process.

In the past 10 years, First 5 San Mateo County (F5SMC) has awarded various *Other Prop 10 Tax Revenue Grants* such as Child Signature Program 2 Grant, Child Signature Program 3 Grant, the 5-year IMPACT Grant, annual free allocation of Kit for New Parents (KNP) from the F5CA's 20% mandated funding investments.

3. At the request of County Manager Office, we added the County's Budget Terminologies to F5SMC Budget FY2018-2019 and LTFP (FY17/18 Update). Therefore, the term *Reserves* presented on previous LTFPs is now renamed as the *Pension and Operational Reserves* to differentiate with the term *Reserves** used by County of San Mateo as *an equivalent term of F5SMC Ending Fund Balance*
4. Commission has approved in previous LTFPs a \$1M Pension Liability and 6 months of Operational Reserves. The Pension Liability and Operational Reserves are Restricted Fund that are set aside for its intended restricted uses.
5. Commission has guided and approved the Ending Fund Balance after Pension Liability or Operational Reserves equal to or approximate 8 months of said fiscal year revenue for safety cash flow management after FY2020.
6. Cycle 3 refers to funding cycle from FY2015-2020 under the current Strategic Plan Implementation Plan SPIP; and Cycle 4 refers to funding cycle from FY2020-2025 of the new developing strategic plan.

F5SMC's LTFP from FY2018-2019 through FY2024-2025 (FY17/18 Update)

F5SMC's LTFP from FY2018-2019 through FY2020-2025 (FY17/18 Update) is presented in **Attachments 5A and 5B** and is updated with (1) FY16-17 audited financial information, (2) FY17-18 Revised Budget, (3) FY18-19 Draft Budget, and (4) approved SPIP Funding Allocation FY2018-2020 at the August 2017 Commission Meeting.

LTFP ASSUMPTIONS

1. Revenue

- Interest Revenue: is projected with 1% Interest earning rate on the Beginning Fund Balance;
- Tobacco Tax – Prop 10 Tax Revenue:

FY2017-2023: As per the recent Prop 10 Tax Revenue Projections released on May 22, 2018 by First 5 California, Prop 10 Tax Revenue is projected at 2.6% declining rate, down from 2.9% projections. The new projection adds approximate \$868K as additional Prop 10 Tax Revenue allocation to F5SMC over the period FY2017-2023.

However, the 2.6% declining rate of Prop 10 Tax Revenue Projections may not reflect the real declining trend due to Prop10 Tax Revenue dropped 12% in FY2017-2018 and back-fills in FY2018-2019 attributable to various Tobacco Tax laws implementation.

FY2023-2025: Prop 10 Tax Revenue is projected with 4% declining rate.

- F5CA Other Prop 10 Tax Grants/IMPACT Grant:

FY2015-2020: Includes \$2.200M from the executed F5CA IMPACT Grant that produces a steady additional revenue stream of \$450K per year.

FY2020-2025: Includes projected \$300K *F5CA Other Prop 10 Tax Grants* each year tapping into grant awards from the F5CA's 20% mandated funding investments.

- Other Non-Prop 10 Grants & Other Revenue:

FY2017-2020: New leveraging funding sources are gaining stream and have materialized that include \$421K *Other Non-Prop 10 Grants* from various Foundations and other entities: i.e.

- ✓ \$66.2 K First 5 IMPACT Regional Training and Technical Assistance HUB Implementation from First 5 San Francisco (FY17/18);
- ✓ \$15.7K Build-Up Kids Mapping from San Bruno Community Foundation (FY17/19)
- ✓ \$300K Help Me Grow Grant from David Lucile Packard Foundation (FY17/19);
- ✓ \$25K Help Me Grow Call Centers from Peninsula Healthcare District (FY18/19).
- ✓ Note: We are in discussion with San Mateo County Human Services Agency (HSA), San Mateo County Health System for potential additional leveraging funding of approximate \$500K in FY2018-2020.

From FY2020-2025: Include projected \$200K *Other Non-Prop 10 Grants* each year.

2. Program Appropriations

A. Strategic Plan Investment SPIP

FY2018-2020: SPIP Investments - Cycle 3 are updated with SPIP Funding Allocation FY2018-2020 that was approved at the August 2017 Commission Meeting.

FY2020-2025: Strategic Plan Investments – Cycle 4 are projected an even investment level of \$3.790M each year that represents a 39% step-down.

B. Other Grants

FY2018-2020: Include Appropriations of executed IMPACT Grant and Other Non –Prop 10 Grants.

FY2020-2025: Include projected pass-through of \$400K from projected F5CA Other Prop 10 Grants Revenue and projected Other Non-Prop 10 Grants Revenue.

C. Program and Evaluation Staff Salaries and Benefits: Retain the same budget level from FY2018-2025.

Program and Evaluation Staff Salaries and Benefits are now presented in the Program Appropriations for consistent presentation and reading across F5SMC's Budget and F5SMC's LTFP.

3. Operations Appropriations

D. Services and Supplies: Retain the same budget level from FY2018-2025.

E. Other Services Charges: Retain the same budget level from FY2018-2025.

F. Admin Staff Salaries and Benefits: Retain the same budget level from FY2018-2025

Admin Staff Salaries and Benefits are now presented in the Program Appropriations for consistent presentation and reading across F5SMC's Budget and F5SMC's LTFP.

STAFFING STRUCTURE

FY2018-2020: Retain the same staff structure for continuing implementation of the current strategic plan SPIP with increasing effort in Policy Advocacy, Communications, and System Changes and continuing seeking additional revenue sources through leverage funding.

Approximate \$100K personnel cost is funded annually from executed IMPACT Grant and Other Non-Prop 10 Tax Grants, which is equivalent to 0.7FTE position

FY2020-2025: Retain the same staff structure for the implementation of newly developing strategic plan focusing in Strategic Partnership opportunities, increasing effort in Policy Advocacy, Communications and System Changes (PAC), and continuing seeking additional revenue sources through leverage funding.

Approximate projected \$100K personnel cost is funded annually from projected F5CA Other Prop 10 Tax Grants and projected Other Non-Prop 10 Tax Grants, which is equivalent to 0.7FTE position.

4. Pension Liability and Operational Reserves:

Retain \$1M Pension Liability and 6-months of Operations that was approved in previous LTFPs.

5. Ending Fund Balance

Projected Ending Fund Balance after Pension Liability and Operational Reserves is \$3.021M which is approximate to 5.8 months of FY2025 Total Revenues.

LTFPs COMPARISON – LTFP (FY15/16 Update), LTFP (FY16/17 Update), LTFP (FY17/18 Update)

Attachment 5C compares 5 years aggregates of key financial data of the last two years LTFPs and the current presented LTFP (FY17/18 Update) during the period of FY2015-2020.

The LTFPs Comparison reveals a positive uptrend across key financial data for the period FY2015-2020, with consistent higher Beginning Fund Balance, Total Revenue, Program Appropriations, Operations Appropriations, Total Appropriations, and Ending Fund Balance before Pension Liability and Operational Reserves.

FISCAL IMPACT

- Admin Cost Rate: projected 15% for the period FY2018-2020 and projected 19% for the period FY2020-2025.
- FY2018-2020: projected budget deficit of approximate \$2.8M annually with drawn down of Ending Fund Balance (Reserves*) to fund higher community investments, as per the current Strategic Plan Implementation Plan.
- FY2020-2025: projected budget deficit of approximate \$440K annually with drawn down Ending Fund Balance (Reserves*) to fund higher community investment of the newly developing strategic plan.
- It is anticipated that from FY2025 moving forward, a “Cycle 5” grant cycle would bring Total Appropriations in line with Total Revenues.

RECOMMENDATION

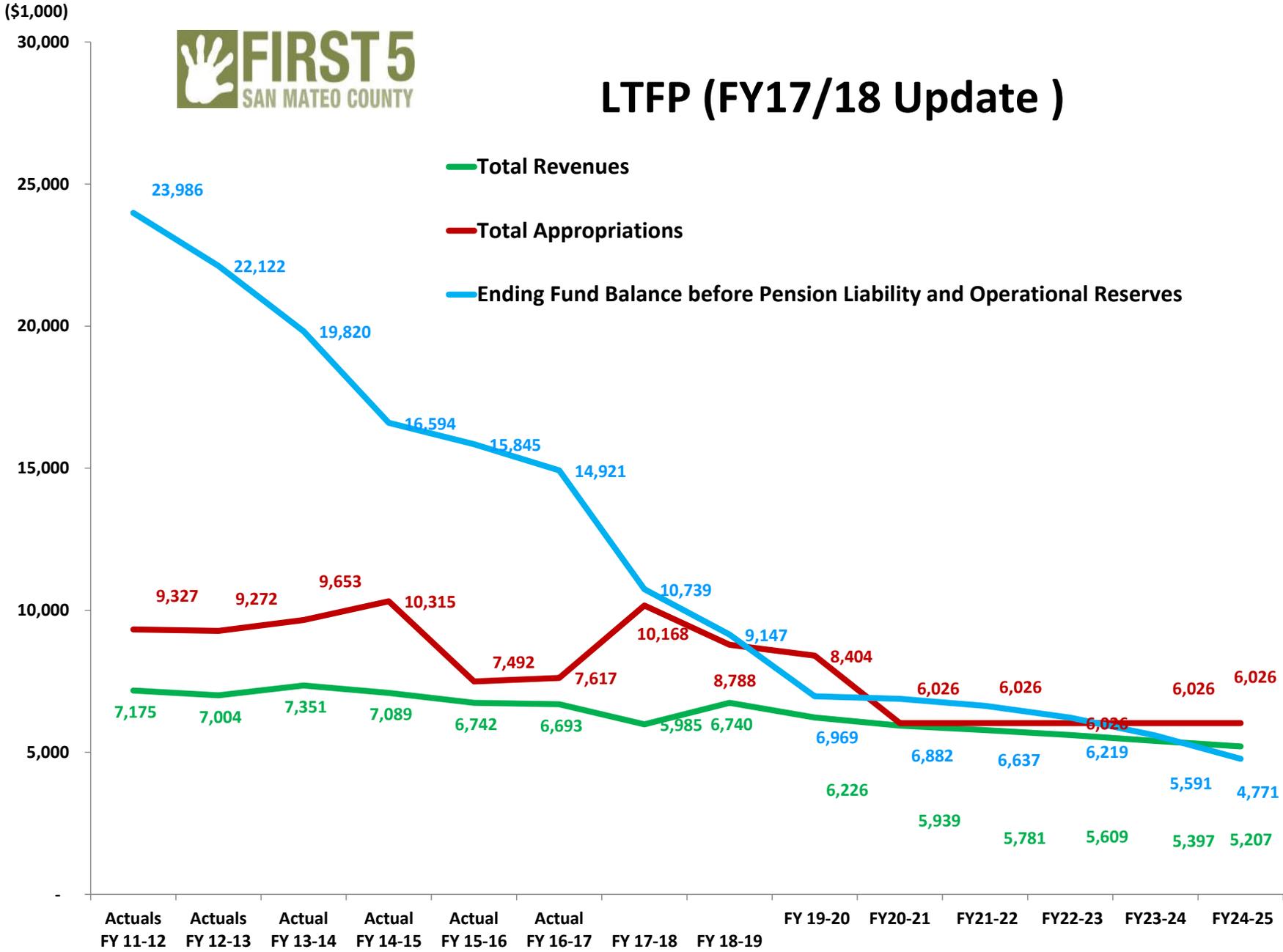
Review and Recommend Approval to Present Long-Term Financial Plan LTFP from FY2018-2019 through FY2024-2025 (FY17/18 Update) at the June 25, 2018 Commission Meeting

	CYCLE 3					CYCLE 4					Notes
	FY 15-16 Actual	FY16-17 Actual	FY 17-18 Revised Budget	FY 18-19 Projection	FY 19-20 Projection	FY20-21 Projection	FY21-22 Projection	FY22-23 Projection	FY23-24 Projection	FY24-25 Projection	
BEGINNING FUND BALANCE (Beginning Reserves*)	16,205	15,457	14,922	11,195	9,147	6,969	6,892	6,657	6,249	5,631	
Interest	136	156	125	112	91	70	64	56	46	50	
Tobacco Tax - Prop 10 Tax Revenue	6,098	5,846	5,086	5,783	5,560	5,369	5,217	5,053	4,851	4,657	
F5CA Other Prop 10 Tax Grants / IMPACT Grant	219	428	673	524	575	300	300	300	300	300	
Other Non-Prop 10 Grants & Other Revenue	289	263	100	321	-	200	200	200	200	200	
Total Revenues	6,742	6,693	5,984	6,740	6,226	5,939	5,781	5,609	5,397	5,207	
TOTAL AVAILABLE FUND (Total Sources*)	22,947	22,150	20,906	17,935	15,373	12,908	12,673	12,265	11,647	10,837	
APPROPRIATIONS											
A. SPIIP Average Step Down (%)		-20%		-3.09%				-39%			
A. SPIIP Average (\$)		6,379		6,183				3,780			
A. Strategic Plan Investment SPIIP (excl. B. Other Grants)	5,663	5,781	7,694	6,253	6,112	3,780	3,780	3,780	3,780	3,780	
Community Investments (FE, CD, EL)	5,392	5,261	6,659	5,020	4,954						
Evaluation	88	182	148	307	281						
Policy, Advocacy, & Communications (PAC)	183	338	887	926	877						
B. Other Grants	360	326	709	683	405	400	400	400	400	400	
F5CA IMPACT /Other Prop 10 Tax Grants	10	326	624	417	405	250	250	250	250	250	
Other Non-Prop 10 Grants (RTT, DLP, HMG, SBCF)	350		85	266		150	150	150	150	150	
C. Evaluation and Program Staff S&B	426	585	692	752	762	703	703	703	703	703	
Total Program Appropriations (A+B+C)	6,449	6,692	9,095	7,688	7,279	4,883	4,883	4,883	4,883	4,883	
D. Services and Supplies	107	55	122	142	142	145	145	145	145	145	
E. Other Charges	207	245	290	285	285	285	285	285	285	285	
F. Admin Staff S&B	730	626	660	673	698	703	703	703	703	703	
Total Operations Appropriations (D+E+F)	1,044	926	1,072	1,100	1,125	1,133	1,133	1,133	1,133	1,133	
TOTAL APPROPRIATIONS (Net Appropriations*)	7,492	7,617	10,168	8,788	8,404	6,016	6,016	6,016	6,016	6,016	
ENDING FUND BALANCE before Pension Liability and Operational Reserves (Ending Reserves* before Pension Liability and Operational Reserves)	15,456	14,922	10,739	9,147	6,969	6,892	6,657	6,249	5,631	4,821	
Pension Liability and Operational Reserves (previously labled as Reserves)	1,640	1,850	1,850	1,900	1,900	1,900	1,900	1,900	1,800	1,800	Restricted Fund set aside
ENDING FUND BALANCE after Pension Liability and Operational Reserves (Ending Reserves* after Pension Liability and Operational Reserves)	13,816	13,072	8,889	7,247	5,069	4,992	4,757	4,349	3,831	3,021	Approximate 5.8 months of fiscal year Revenues for safety cash flow after FY2020

Note: Reserves*, Net Appropriations*, Total Sources*, Total Requirements* are budget terminologies used County of San Mateo



LTFP (FY17/18 Update)

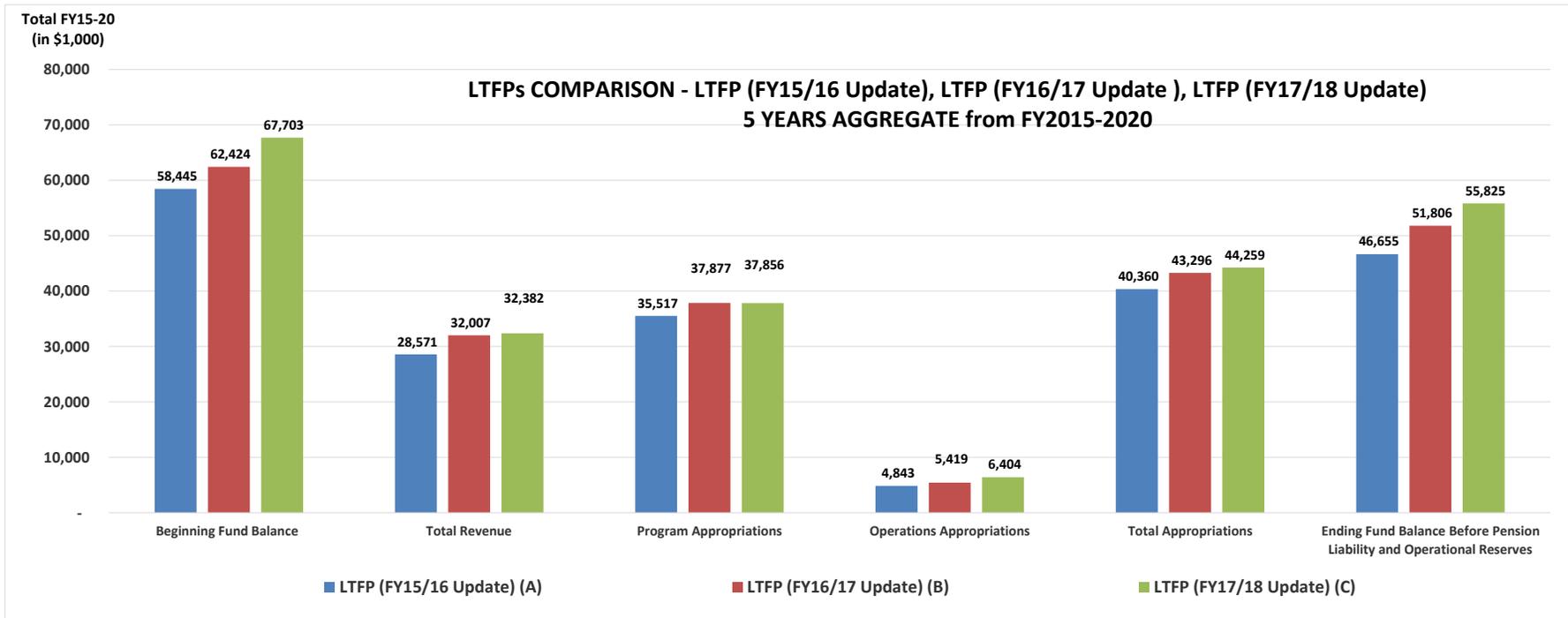




LTFPs COMPARISON - LTFP (FY15/16 Update), LTFP (FY16/17 Update), LTFP (17/18 Update)

	LTFP (FY15/16 Update) (A)					Total FY15-20	LTFP (FY16/17 Update) (B)					Total FY15-20	LTFP (FY17/18 Update) (C)					Total FY15-20
	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20		FY15-16	FY16-17	FY17-18	FY18-19	FY19-20		FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	
Beginning Fund Balance	16,594	14,173	11,619	9,018	7,041	58,445	16,594	15,845	13,125	9,152	7,709	62,424	16,594	15,845	14,922	11,195	9,147	67,703
Total Revenues	6,243	5,915	5,717	5,483	5,212	28,571	6,742	6,689	5,708	6,561	6,307	32,007	6,742	6,689	5,985	6,740	6,226	32,382
Program Appropriations	7,566	7,413	7,258	6,646	6,634	35,517	6,430	8,385	8,599	7,222	7,241	37,877	6,023	7,771	9,095	7,688	7,279	37,856
Operations Appropriations	1,098	1,055	1,060	815	815	4,843	1,050	1,004	1,082	1,133	1,150	5,419	1,469	1,638	1,072	1,100	1,125	6,404
Total Appropriations	8,664	8,468	8,318	7,461	7,449	40,360	7,480	9,389	9,681	8,355	8,391	43,296	7,492	9,409	10,167	8,788	8,404	44,259
Ending Fund Balance Before Pension Liability and Operational Reserves	14,173	11,619	9,018	7,041	4,804	46,655	15,845	13,125	9,152	7,709	5,975	51,806	15,845	13,125	10,739	9,147	6,969	55,825

Note: For the comparison purpose of this chart and for consistent presentation and reading across F5SMC Budget and F5SMC LTFPs, Program and Evaluation Staff Salaries and Benefits of LTFP (FY15/16 Update), LTFP (FY16/17 Update), LTFP (FY17/18 Update) are allocated to Program Appropriations; whereas Admin Staff Salaries and Benefits are allocated to Operations Appropriations.



Date: June 11, 2018

To: Finance and Administration Committee

From: Kitty Lopez, Executive Director

Re: Approval of Contract for Communications Consultation Services to Runyon Saltzman Inc. (RSE) in the Amount of \$99,396, Contract Term effective July 1, 2018 through June 30, 2019

ACTION REQUESTED

Approval of Contract for Communications Consultation Services to Runyon Saltzman, Inc. (RSE) in the Amount of \$99,396 Contract Term effective July 1, 2018 through June 30, 2019

BACKGROUND

- On November 23, 2015 the Commission approved a contract for Communications Consultation Services to Runyon Saltzman Inc. (RSE), in the amount of \$450,000 for the development of a Strategic Communications Plan and Implementation Plan term effective January 26, 2016 through June 30, 2018. RSE successfully met contract deliverables and has provided monthly updates to the Commission on communications activities including web-site redesign, social media, advocacy impact stories and Influencer engagement strategies.
- On August 28, 2017, the Commission approved funding for communications and consultation services for FY 18-19 and FY 19-20 in accordance with the approved funding allocations of the Strategic Plan Implementation Plan (SPIP) and Long Term Financial Plan (LTFP) approved by the Commission. The total funding allocation is \$240,000 over 2 years. F5SMC will maintain a portion of the funding allocation to support public education campaigns and F5SMC 20th anniversary events.
- On March 14th, 2018, First 5 San Mateo County (F5SMC) distributed letters to firms requesting quotations (bids) for communication consultation services for fiscal year 2018 – 2019 providing public education, social media, branding campaigns and other collateral to support the needs of children prenatal to age 5 and their families. F5SMC received 2 proposals in response to the bid request.
- RSE was selected as the communications consultant in part due to their project approach, comprehensive menu of services, and successful track record. Click the link for RSE's 2018 – 2019 Communications Consultation Services Proposal: <http://www.first5sanmateo.org/wp-content/uploads/2018/06/RSE18-First-5-SMC-RFQ.pdf>

F5SMC STRATEGIC COMMUNICATIONS PLAN AND IMPLEMENTATION PLAN OBJECTIVES

The F5SMC Communications Plan and Implementation Plan 2016-2018 supports the Commission's Vision, Mission and successful implementation of Desired Outcomes as identified in the 2015-2020 Strategic Plan.

The following goals are derived from F5SMC's Strategic Communication Plan:

- Communicate the impact of F5SMC's strategic investments
- Position F5SMC as a thought leader in issues related to young children Prenatal to 5
- Leverage partnerships as a key communications channel
- Increase families access to information, resources and programs

PROJECT BUDGET AND SCOPES OF WORK

The following is an overview of the proposed project budgets and scopes of work. For **Consultant Contract, Scope of Work, Budget Request and Budget Narrative Forms**, see **Attachment 6A**

STRATEGIC COMMUNICATIONS PLAN AND IMPLEMENTATION PLAN
Contractor: Runyon Saltzman Einhorn, Inc. (RSE)
<ul style="list-style-type: none"> • Budget Period: July 1, 2018-June 30,2019 • Amount of Request: \$99,936
Scope of Services
<ul style="list-style-type: none"> • F5SMC/RSE regular bi-weekly meetings following official contract kick off meeting to stay informed and on track • Attend and participate in Commission and Committee meetings as needed • Impact Stories: Collect, write, design and disseminate 5-10 key impact stories that exemplify the important work F5 makes possible. • Website: Ongoing web, newsletter and blog content management. This includes developing fresh web content and posting, regular newsletter content that aligns with F5SMC and statewide communication goals, and updated blogs. • Social Media: Draft 12 content calendars, schedule and post. Monitor feeds and provide the role of community manager for all social media platforms, with guidance and approval from F5SMC team. • Media Relations: Support specific initiatives (i.e. Build Up, Quality Counts San Mateo County, Oral Health, etc.) with targeted media relations efforts. This includes drafting or editing press materials, developing pitches and disseminating them, and gaining earned media. • Influencer Engagement: In close collaboration with F5SMC team, identify specific influencer audiences to target with F5SMC messages. (July-Aug) Develop plan and craft communications materials to reach these influencers. (Sept-June) Examples of the audiences could include elected officials, key business leaders, school boards, etc. • Brand Campaign: Continue developing “Think Bigger” Handmade brand campaign to position F5SMC as a thought leader and significant influencer in the mission to ensure success for every child in the county. Campaign could include additional mass media assets (videos, billboards, radio, paid social media) as well as unexpected grassroots elements. • 20th Anniversary: In close collaboration with F5SMC team, develop plan to promote key messages in alignment with statewide recognition of the First 5 20th Anniversary. Activities could include event planning, social media campaign and alignment with the F5SMC brand campaign. • Metrics and Reporting: Provide quarterly report of communications activities (format to be determined with F5SMC team). Social media and website analytics will continue to be reported on a monthly basis. Following specific communications campaigns (brand campaign, 20th Anniversary) RSE will provide recap reports with success metrics.
TOTAL BUDGET: \$99,396

FISCAL IMPACT

The recommended contract award for Communications Consultation Services to Runyon Saltzman Einhorn, Inc. (RSE) is in accordance with the approved funding allocations of the Strategic Plan Implementation Plan (SPIP) and Long Term Financial Plan (LTFP approved by the Commission on August 28, 2017.

ACTION REQUESTED

Approval of Contract for Communications Consultation Services to Runyon Saltzman, Inc. (RSE) in the Amount of \$99,396, Contract Term effective July1 , 2018 through June 30, 2019.

**AGREEMENT BETWEEN
FIRST 5 SAN MATEO COUNTY
AND
INDEPENDENT CONTRACTOR
RUNYON SALTZMAN, INC.
(COMMUNICATIONS CONSULTATION SERVICES)**

This Communications Consultation Services Agreement (the "Agreement") is entered into **July 1, 2018**, by and between First 5 San Mateo County ("F5SMC" or the "Commission") and RUNYON SALTZMAN, INC. ("RSE" or the "Contractor") (collectively, the "Parties").

W I T N E S S E T H :

WHEREAS, pursuant to Health & Safety Code Section 130100 *et seq.*, the Commission may contract with the independent contractor for the furnishing of such services to or for the Commission; and

WHEREAS, it is necessary and desirable that the Contractor be retained for the purpose to implement the F5SMC Strategic Communications Plan including: Developing & Disseminating Impact Stores, Website content development and blogs, Social Media content development and posting; Media Relations support activities; Stakeholder Engagement and Band Campaign development in San Mateo County.

WHEREFORE, the Commission and the Contractor agree as follows:

1. **Exhibits and Attachments**

- Exhibit A – Scope of Work
- Exhibit B – Payments
- Exhibit C – Compliance with Section 504 of Rehabilitation Act of 1973, as amended
- Exhibit D – Intellectual property Protocol
- Attachment A-1 – Detail Scope of Work FY 2018-2019
- Attachment B-1 – Detail Budget Request and Narrative FY 2018-2019
- Attachment C-1 – Detail Proposal/RFQ

2. **Services to be Performed**

In consideration of the payments set forth in Exhibit B, the Contractor, under the general direction of the Chairperson of the Commission, or his/her authorized representative, with respect to the product or the result of the Contractor's services, shall perform services as described in Exhibit A (the "Services").

The Contractor shall ensure compliance with all state, federal and local laws or rules applicable to performance of the Services required under this contract.

3. **Contract Term and Termination**

The term of this Agreement shall be from **July 1, 2018 - June 30, 2020**. The Contractor agrees that the requirements of this Agreement pertaining to Indemnity in Paragraph 9, Confidentiality in Paragraph 10, Records in Paragraph 14 and Governing Law in Paragraph 16 shall survive the termination of this Agreement.

The Executive Director, after consultation with the Chair of the Commission, may at any time from the execution of this Agreement, terminate this Agreement, with or without cause upon 30 days written notice specifying the effective date of such termination. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (collectively, "Materials") prepared by the Contractor under this Agreement shall become the property of the Commission and shall be promptly delivered to the Commission. In the event of termination, the Contractor shall be paid for all Services satisfactorily performed until termination.

In the event that the Commission makes any advance payments, the Contractor agrees to refund any amounts in excess of the amount owed by the Commission if the Agreement is terminated at the time the Agreement is terminated. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed satisfactorily to the work/services required by the Agreement.

4. **Payments**

In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit A, the Commission shall make payment to the Contractor in the manner specified herein and in Exhibit B. The Commission reserves the right to withhold payment if the Commission determines that the quantity or quality of the Services performed is unacceptable. In no event shall total payment for services under this Agreement exceed **NINETY NINE THOUSAND NINE HUNDRED THIRTY SIX DOLLARS (\$99,936)**.

5. **Ownership of Intellectual Property**

All products, concepts, inventions, discoveries and improvements, however recorded, prepared or generated by the Contractor in the performance of this Agreement shall be the exclusive property of the Commission and the Commission reserves all rights, including but not limited to the copyrights. It is the Parties' intention that any product or concept created by the Contractor under this Agreement be work/services for hire. The phrase "products, concepts, inventions, discoveries and improvements" as used in the Agreement shall include, but will not be limited to, documentation, findings, designs, reports, forms, evaluations, analyses, methods of analysis, videos, images, diagrams, brochures, manuals, books, curricula, presentations, other writings, systems and software developed related to the Services under this Agreement.

It shall be further presumed that any product, concepts, inventions, discoveries and improvements recorded, prepared or generated by the Contractor during the term of this Agreement and related to this agreement were recorded, prepared or generated in the performance of this Agreement unless the Contractor is able to show by documented proof that such product, invention, discovery or improvement was developed solely with the Contractor's facilities or resources and is unrelated to this Agreement. If any product, invention, discovery or improvement related to this Agreement shall be determined to be the property of the Contractor, the Commission shall be granted a nonexclusive, irrevocable, royalty free license to use said product, invention, discovery or improvement.

This Agreement shall preclude the Contractor from using or marketing products developed or originated for the Commission hereunder commercially or in any manner that generates revenue unless and until the Parties execute a marketing agreement. Failure to comply with the obligations of this provision shall constitute a Material Breach of the Agreement. Because the Contractor and the Commission agree that damages for violation of this provision would likely be difficult to ascertain and calculate, the Contractor agrees to pay the Commission liquidated damages in the amount of \$15,000 for each violation of this provision. In addition, the Contractor and the Commission agree that a violation of this provision would result in irreparable harm to the Commission.

6. **Relationship of Parties**

The Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of the Commission or the County of San Mateo and that the Contractor acquires none of the rights, privileges, powers or advantages of Commission or County employees.

7. **Availability of Funds**

The County/Commission may terminate this Agreement or a portion of the services referenced in the Exhibits and Attachments based upon unavailability of Federal, State, or County/Commission funds, by providing written notice to Contractor as soon as is reasonably possible after the County/Commission learns of said unavailability funding.

8. **Insurance**

The Contractor shall not commence Services or be required to commence Services under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the Executive Director of the Commission. The Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the Commission with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Commission of any pending change in the limits of liability or of any cancellation or modification of the policy.

- A. Worker's Compensation and Employer's Liability Insurance. The Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor makes the following certification, required by section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the Services of this Agreement.

- B. Liability Insurance. The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing Services covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from the Contractor's operations under this Agreement, whether such operations be by himself/herself or by any person or entity performing or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(1) Comprehensive General Liability	\$1,000,000
(2) Motor Vehicle Liability Insurance	\$1,000,000

The Commission shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the Commission shall be primary insurance to the full limits of liability of the policy, and that if the Commission has other insurance against the loss covered by such a policy, and that such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the Commission at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further Services pursuant to this Agreement.

9. **Indemnity**

The Contractor shall indemnify and hold harmless the Commission, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, on account of: (A) injuries to or death of any person, including the Contractor, or (B) damage to any property of any kind whatsoever and to whomever belonging, or (C) any sanctions, penalties, or claims of damages resulting from the Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any loss or cost, including but not limited to that caused by the concurrent active or passive negligence of the Commission, its officers, agents, employees, or servants resulting from the performance of any Services required of the Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which the Commission has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of the Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in section 2778 of the California Civil Code.

10 **Confidentiality**

All data produced or compiled by the Contractor shall be considered confidential unless it can be obtained as public record and shall not be shared with a third party without the prior written consent of Commission. All financial, statistical, personal, technical, and other data and information relating to the Commission's operations which is made available to the Contractor in order to carry out this Agreement shall be presumed to be confidential. The Contractor shall protect said data and information from unauthorized use and disclosure by the observance of the same or more effective procedures as the Commission requires of its own personnel. The Contractor shall not, however, be required by this paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the Agreement or for which disclosure is otherwise required by law.

11 **Non-Assignability**

The Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of the Commission, and any attempted assignment without such prior written consent in violation of this section shall automatically terminate this Agreement.

12 **Payment of Permits/Licenses**

It shall be the Contractor's responsibility to obtain any license, permit or approval required from any agency for work/services to be performed at his/her own expenses, prior to commencement of said work/services or forfeit any right to compensation under this Agreement.

13 **Non-Discrimination**

The Contractor shall comply with the non-discrimination requirements described below:

Section 504 of the Rehabilitation Act of 1973

1. Pursuant to Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), as amended ("Section 504"), the Contractor agrees that no otherwise qualified disabled individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
2. Compliance with Section 504 requires that all benefits, aids and services are made available to disabled persons on an equivalent basis with those received by non-disabled persons. The Contractor shall agree to be in compliance with Section 504 requirements by signing the Letter of Assurance, attached and incorporated herein as Exhibit C.

Non-Discrimination - General

No person shall, on the grounds of age, ancestry, creed, color, disability, marital status, medical conditions, national origin, political or religious affiliation, race, sex, sexual orientation or any non-job-related criteria be excluded from participation in, be denied the benefits, or be subjected to discrimination under this Agreement.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the Executive Director after consultation with the Chair of the Commission, including but not limited to: i) termination of this Agreement; ii) disqualification of the Contractor from bidding on or being awarded a Commission or County of San Mateo Agreement for a period of up to 3 years; iii) liquidated damages of \$2,500 per violation; and/or iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Executive Director, on behalf of the Commission.

To effectuate the provisions of this paragraph, the Executive Director shall have the authority to: i) examine Contractor's employment records with respect to compliance with this paragraph; ii) offset all or any portion of the amount described in this paragraph against amounts due to the Contractor under the Agreement or any other Agreement between the Contractor and the Commission or the County of San Mateo. The Contractor shall report to the Executive Director the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing or any other entity charged with the

investigation of allegations within 30 days of the Contractor's receipt of such filing, provided that within such 30 days such entity has not notified the Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstance. The Contractor shall provide the Commission with a copy of its response to the Complaint when filed.

Non-Discrimination - Employment

The Contractor shall ensure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this Agreement. The Contractor's equal employment opportunity policies shall be made available to the Commission upon request.

Equal Benefits

With respect to the provision of employee benefits, the Contractor shall comply with the San Mateo County Ordinance, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

14 Retention of Records

The Contractor shall maintain all records related to this Agreement for no less than three years after the Commission makes final payment or after termination of this contract and all other pending matters are closed. All records shall be subject to the examination and/or audit by agents of the Commission, the County of San Mateo, the State of California and/or Federal grantor agencies.

15 Merger Clause

This Agreement, including exhibits and attachments included herewith and incorporated by reference, constitutes the sole and entire Agreement of the Parties hereto and correctly states the rights, duties, and obligations of each Party as of this document's date. All subsequent modifications shall be in writing and executed by the Parties.

16 Governing Law

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the Parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California. Any lawsuit related to this Agreement must be venued in the San Mateo County Superior Court.

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have affixed their hands to this Communications Consultation Services to F5SMC Agreement.

**RUNYON SALTZMAN, INC.
2020 L Street, Suite 100
Sacramento, CA 95811**

**FIRST 5 SAN MATEO COUNTY
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402
Phone # (650) 372-9500**

Signature

Commission Chair

Date

Date

19540-6814

Contractor's Tax ID Number

Budget Unit

**AGREEMENT BETWEEN
FIRST 5 SAN MATEO COUNTY
AND
INDEPENDENT CONTRACTOR
RUNYON SALTZMAN, INC.
(Communications Consultation Services)**

EXHIBIT A

SCOPE OF WORK

I. Introduction

Pursuant to the Agreement for services between RUNYON SALTZMAN, INC. effective **July 1, 2018**, the Contractor shall provide the services as described in this Exhibit and detailed more fully in Attachment A-1 over the term of this Agreement from **July 1, 2018 to June 30, 2020**.

II. Supplantation

Funds provided pursuant to this Agreement are provided pursuant to Proposition 10 and are intended to supplement, expand upon, and enhance activities funded from existing sources. Contractor shall not use funds under this contract to supplant existing resources or services.

III. Description of Services to be Performed by the Contractor

YEAR 1 – JULY 1, 2018 - JUNE 30, 2019:

Communication with F5SMC Commission and Staff

F5SMC/RSE regular bi-weekly meetings following official contract kick off meeting to stay informed and on track

Discovery and Situational Analysis

1. Website Audit
2. Social Media Audit
3. Conduct interviews with staff, commission members, elected officials, funded and non-funded partners, grantees and any other identified key stakeholders

Communications Plan

1. Identify and draft key messages for F5SMC Focus Areas: Early Learning, Child Health & Development, Family Engagement and in tandem messages or not with Policy and Advocacy activities
2. Finalize the final draft of the Communications Plan, including metrics to measure success, with input from F5SMC staff

Metrics

1. Identify tools that will assist with collecting metrics and monitoring success
2. Establish a plan for measuring the results of all communications and implementation efforts

Implementation Plan

Provide final Implementation Plan

YEAR 2 - JULY 1, 2019- JUNE 30, 2020

Website, social media and digital engagement meetings, collaboration and implementation

**AGREEMENT BETWEEN
FIRST 5 SAN MATEO COUNTY
AND
INDEPENDENT CONTRACTOR
RUNYON SALTZMAN, INC.
(Communications Consultation Services)**

EXHIBIT B

PAYMENTS

1. Payment shall be conditioned on the performance of the services described in Exhibit A to the full satisfaction of the Executive Director, on behalf of First 5 San Mateo County.
2. The amount that the Commission shall be obligated to pay for services rendered under this Agreement shall not exceed **NINETY NINE THOUSAND NINE HUNDRED THIRTY SIX DOLLARS (\$99,936)** for the Agreement term of **July 1, 2018 to June 30, 2020**. Payment shall be made upon receipt of invoice itemizing all services rendered from the Contractor. Invoices shall be submitted to First 5 San Mateo County, with accompanying documentation of services rendered.
3. Payment for all services provided pursuant to this Agreement is contingent upon the availability of funds under Proposition 10. In the event such funds are not provided or not available to the First 5 San Mateo County, the Commission shall not be liable for any payment whatsoever, including, but not limited to, payments that are based on Commission funds. The Commission may terminate the agreement for unavailability of State funds. In this event, the Commission shall, through its Executive Director, inform the Contractor of such unavailability as soon as it is known, and to the extent legally possibly pay all outstanding amounts due.

**AGREEMENT BETWEEN
FIRST 5 SAN MATEO COUNTY
AND**

**INDEPENDENT CONTRACTOR
RUNYON SALTZMAN, INC.
(Communications Consultation Services)**

EXHIBIT D

INTELLECTUAL PROPERTY PROTOCOL

The protocol provided below addresses how and when a person must obtain permission to disseminate data, findings or products emerging from First 5 San Mateo County ("F5SMC" or "Commission")-funded projects or their evaluations.

1. Categories of Materials

The following tiers represent the general types or categories of dissemination and the F5SMC's policy for each category.

Tier 1 acknowledges that cleaned and reviewed data, and summaries of cleaned/reviewed data are commonly shared among individuals and/or organizations (collectively "Persons"). The F5SMC encourages this practice and does not expect any advance notice, pre-approval or involvement.

Tier 2 recognizes that data sets are commonly analyzed and findings are broadly shared through publication, teaching and other methods of dissemination. These activities can be viewed as beneficial to the community and therefore the F5SMC generally encourages them. However, prior to any publication of F5SMC-funded and produced materials, such material shall be submitted to the F5SMC for prior approval for input and to ensure inclusion of appropriate F5SMC acknowledgment. Failure to obtain approval prior to dissemination is a violation of this protocol.

Tier 3 acknowledges that in some instances, Persons will develop analyses, Materials or products for distribution and/or sale (e.g. software programs, CD-ROMs, brochures, manuals, curricula and books). Persons need to acknowledge that in such instances, the F5SMC owns the rights to such analyses, Materials or products. Consequently, no person shall sell or otherwise appropriate any analyses, Materials or products which are made possible, in whole or in part, by F5SMC funded support, without the express prior approval of the F5SMC. When presented with a request by a person for prior approval, the F5SMC shall decide whether, and to what extent, such analyses, Materials or products may be appropriated or sold, the determination of which shall include consideration of such issues such as profit sharing, on a case by case basis. Failure to obtain approval prior to dissemination is a violation of this protocol. The decision whether to grant approval is the Commission's alone and is not subject to a requirement of good cause.

2. Definitions and Process

At present, F5SMC Agreements provide that F5SMC owns any products from F5SMC-funded projects. The protocol provided below addresses how/when a person must obtain permission to disseminate data, findings or products emerging from F5SMC-funded projects or their evaluations.

Tier 1- Cleaned/Reviewed Data and Summary of Findings

Definition:

This category generally includes data that is considered to be "in the public domain." This includes data from general surveys as well as specific surveys and other data collection methods utilized to identify the "results" of F5SMC-funded efforts (e.g. percentage of WIC clients who initiate breast feeding).

This data has been cleaned and reviewed for clarity and reasonable validity. This does not include "draft" data or draft summaries which have not been approved or finalized by the originator.

Criteria/Conditions for Release of Information:

In the spirit of cooperating/coordinating with all Persons who are working to improve the health and well-being of children and families in the County, these data may be released without specific F5SMC review and approval provided that appropriate measures are taken to ensure client confidentiality AND provided that the methods used to collect the data are reasonably valid and are available for review upon request.

Tier 2- Analytic Reports for Public Dissemination, Publication and/or Teaching

Definition:

This category includes reports that analyze cleaned data and their significance and which are to be used for public dissemination, publication, or teaching.

Criteria/Conditions for Release of Information:

Reports for public dissemination, publication and/or teaching must (1) acknowledge F5SMC support for the intervention or evaluation effort; and (2) be submitted to F5SMC prior to distribution/publication for approval, feedback and comments. This includes reports which analyze the status of population (results) and/or those which assess the effectiveness of funded interventions.

Client confidentiality must be maintained and methods of data collection utilized must be included or available upon request. Requests for comments/feedback shall be submitted to F5SMC offices. The request shall then go to the full F5SMC for comment and/or approval. The decision whether to grant approval is the Commission's alone and is not subject to a requirement of good cause.

Tier 3- Products with Sales or Profit-Producing Potential

Definition:

This category includes any analyses, Materials or products wholly or partially created or produced with F5SMC support which may be sold or otherwise appropriated. This may include, but is not limited to: manuals, brochures, software programs, CDROMs, curricula, and books.

Process for Consideration and /or Approval of Product Sale:

Any Person with a F5SMC-supported product for sale or for profit must submit a request to F5SMC for approval for sale specifying the use of profits prior to its sale. Terms of approval of such requests will be considered on a case by case basis.

Requests shall be submitted to F5SMC offices. The request shall go to the full F5SMC for comment and/or approval. The decision whether to grant approval is the Commission's alone and is not subject to a requirement of good cause.



**First 5 San Mateo County
Detailed Scope of Work: Communications Consultation Services**

July 1, 2018 – June 30, 2019

Runyon Saltzman, Inc

Tasks, Activities, and Deliverables	Timeframe or Date	Key Staff Responsible
1. Communicating with F5SMC Commission and Staff		
1. F5SMC/RSE regular bi-weekly meetings following official contract kick off meeting to stay informed and on track	Bi-Weekly	Mehera May, Alicia Leupp Hanley, Leslie Valdivia
2. Attend and participate in Commission and Committee meetings as needed	As Needed	Mehera May, Alicia Leupp Hanley, Jonathan Bolivar
2. Continue Implementing Strategic Communications Plan		
1. Impact Stories: Collect, write, design and disseminate 5-10 key impact stories that exemplify the important work F5 makes possible.	July-June	Mehera May, Alicia Leupp Hanley, Leslie Valdivia
2. Website: Ongoing web, newsletter and blog content management. This includes developing fresh web content and posting, regular newsletter content that aligns with F5SMC and statewide communication goals, and updated blogs.	July-June	Alicia Leupp Hanley, Leslie Valdivia, Jonathan Bolivar, Mehera May
3. Social Media: Draft 12 content calendars, schedule and post. Monitor feeds and provide the role of community manager for all social media platforms, with guidance and approval from F5SMC team.	July-June	Leslie Valdivia, Jonathan Bolivar, Mehera May
4. Media Relations: Support specific initiatives (i.e. Build Up, Quality Counts San Mateo County, Oral Health, etc.) with targeted media relations efforts. This includes drafting or editing press materials, developing pitches and disseminating them, and gaining earned media.	July-June	Koula Gianulias, Allie Delehant, Mehera May, Scott Rose
5. Influencer Engagement: In close collaboration with F5SMC team, identify specific influencer audiences to target with F5SMC messages. (July-Aug) Develop plan and craft communications materials to reach these influencers. (Sept-June) Examples of the audiences could include elected officials, key business leaders, school boards, etc.	July-June	Mehera May, Alicia Leupp Hanley, Jonathan Bolivar, Scott Rose
6. Brand Campaign: Continue developing "Think Bigger" Handmade brand campaign to position F5SMC as a thought leader and significant influencer in the mission	July-June	Steve Fong, Kelley Kent, Laura Berruezo, Mehera May, Alicia

<p>to ensure success for every child in the county. Campaign could include additional mass media assets (videos, billboards, radio, paid social media) as well as unexpected grassroots elements.</p>		<p>Leupp Hanley, Leslie Valdivia</p>
<p>7. 20th Anniversary: In close collaboration with F5SMC team, develop plan to promote key messages in alignment with statewide recognition of the First 5 20th Anniversary. Activities could include event planning, social media campaign and alignment with the F5SMC brand campaign.</p>	<p>Sept-Jan</p>	<p>Mehera May, Alicia Leupp Hanley, Leslie Valdivia</p>
<p>8. Metrics and Reporting: Provide quarterly report of communications activities (format to be determined with F5SMC team). Social media and website analytics will continue to be reported on a monthly basis. Following specific communications campaigns (brand campaign, 20th Anniversary) RSE will provide recap reports with success metrics.</p>	<p>Quarterly, July-June and As Needed</p>	<p>Leslie Valdivia, Alicia Leupp Hanley</p>



**First 5 San Mateo County
BUDGET REQUEST FORM**

Complete this form to show the budget for the **entire** project for the fiscal year. If there are subcontractors or collaborative agency budgets involved, please complete an additional budget request form for each and identify the subcontractor.

Agency Name:	Runyon Saltzman, Inc.
Program/Project Name:	Communications Consultation Services
Amount of Request:	\$99,936
Budget Period:	July 1, 2018 - June 30, 2019
Submission Date:	5/24/2018

** List Leveraged Amount Available-Non F5SMC funds available to support the project, excluding the amount being requested from the Commission. At the bottom of the form under section VII, please list the funding source for all funds included in this column and any amounts from this column that are not yet secured.

I. PERSONNEL			A. Amount Requested	B. Leveraged Amount Available**	C. Total Program Budget (A+B)
Position Title	Hourly Wages	# Hours			
A. Scott Rose, RSE Principle-in-Charge and Director of Public Affairs	\$ 250.00	16	\$ -		\$ -
B. Steve Fong, RSE Creative Director	\$ 232.00	18	\$ 4,176.00	\$ -	\$ 4,176.00
C. Kelley Kent, RSE Media Director	\$ 224.00	10	\$ 2,240.00	\$ -	\$ 2,240.00
D. Mehera May, RSE Associate Social Marketing Director	\$ 220.00	72	\$ 15,840.00	\$ -	\$ 15,840.00
E. Jonathan Bolivar, RSE Digital Strategist	\$ 212.00	32	\$ 6,784.00	\$ -	\$ 6,784.00
F. Alicia Leupp Hanley, RSE Account Supervisor	\$ 212.00	36	\$ 7,632.00	\$ -	\$ 7,632.00
G. Koula Gianulias and Allie Delehant, RSE Public Relations Account Manager(s)	\$ 168.00	50	\$ 8,400.00	\$ -	\$ 8,400.00
H. Laura Berruezo, RSE Art Director	\$ 160.00	65	\$ 10,400.00	\$ -	\$ 10,400.00
I. Digna Roque and Josh Chilton, RSE Copywriters	\$ 160.00	50	\$ 8,000.00	\$ -	\$ 8,000.00
J. Leslie Valdivia, RSE Senior Account Coordinator	\$ 132.00	80	\$ 10,504.00	\$ -	\$ 10,504.00
K. Dominique Beilke, RSE Production Artist	\$ 128.00	20	\$ 2,560.00	\$ -	\$ 2,560.00
L. Brianna Redmond, RSE Production Manager	\$ 120.00	20	\$ 2,400.00		\$ 2,400.00
Benefits @ ___%			\$ -	\$ -	\$ -
Subtotal - Personnel			\$ 78,936.00	\$ -	\$ 78,936.00

II. OPERATING EXPENSES	A. Amount Requested	B. Leveraged Amount Available **	C. Total Program Budget (A+B)
A. Rent and Utilities	\$ -	\$ -	\$ -
B. Office Supplies and Materials	\$ -	\$ -	\$ -
C. Telephone/Communications	\$ 500.00	\$ -	\$ 500.00
D. Postage/Mailing	\$ -	\$ -	\$ -
E. Printing/Copying	\$ 500.00	\$ -	\$ 500.00
F. Equipment Lease	\$ -	\$ -	\$ -
G. Travel Using Personal Vehicle	\$ 2,000.00	\$ -	\$ 2,000.00
H. Travel Using Company Vehicle	\$ -	\$ -	\$ -
I. Consultants (itemize):	\$ -	\$ -	\$ -
J. Subcontractors (itemize):	\$ -	\$ -	\$ -
Marguerite Cueto, Latino Expert Consultant @ \$200 per hour	\$ 3,000.00	\$ -	\$ 3,000.00
	\$ -	\$ -	\$ -
K. Other (itemize):	\$ -	\$ -	\$ -
K1. Media Buy (Pending F5SMC Approval)	\$ 10,000.00	\$ -	\$ 10,000.00
K2. Social Media Advertising (Pending F5SMC Approval)	\$ 5,000.00	\$ -	\$ 5,000.00
Subtotal - Operating Expenses	\$ 21,000.00	\$ -	\$ 21,000.00

III. CAPITAL EXPENDITURES	A. Amount Requested	B. Leveraged Amount Available **	C. Total Program Budget (A+B)
Itemize and describe items requested. Competitive bids may be requested by the Commission prior to contract. This section can be left blank if no capital requests are being made.			
Subtotal - Capital Expenditures	\$ -	\$ -	\$ -

IV. INDIRECT COSTS	A. Amount Requested	B. Leveraged Amount Available **	C. Total Program Budget (A+B)
%	\$ -	\$ -	\$ -
(Attach copy of approved indirect cost rate proposal if percentage exceeds 12%, or submit a proposal for approval)			
Subtotal - Indirect Costs	\$ -	\$ -	\$ -

V. TOTAL PROGRAM COSTS	A. Amount Requested	B. Leveraged Amount Available **	C. Total Program Budget (A+B)
Total of sections I - IV	\$ 99,936.00	\$ -	\$ 99,936.00

VI. IN KIND SUPPORT: Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project. **RSE typically provides significant pro bono personnel time to our social marketing clients. An estimated \$5,000 of Scott Rose's time will be pro bono, and additional pro bono time from key staff (ex: Alicia and Mehera) is anticipated on the account.**

VII. LEVERAGED FUNDS ARE FROM: Please list the funding sources and their amounts for funds identified in Column B. Also indicate which leveraged funds are not yet secured.

Date Prepared:		Prepared By:	
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First 5 San Mateo County Use Only			
Date Approved:		Approved By:	



**First 5 San Mateo County
BUDGET NARRATIVE FORM**

Agency Name:	Runyon Saltzman, Inc.
Program/Project Name:	Communications Consultation Services
Amount of Request:	\$99,936
Budget period:	July 1, 2018 - June 30, 2019
Submission Date:	5/24/2018

I. PERSONNEL	A. Amount Requested	Description / Explanation
<u>Position Title</u>		
A. Scott Rose, RSE Principle-in-Charge and Director of Public Affairs	\$ -	Scott Rose's reduced social marketing billing rate is \$250 per hour, however his time will be pro bono for the FY18-19. Scott will provide strategic counsel and assist with media relations and influencer engagement strategy.
B. Steve Fong, RSE Creative Director	\$ 4,176.00	Steve Fong's billing rate is \$232 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Steve will oversee all creative projects.
C. Kelley Kent, RSE Media Director	\$ 2,240.00	Kelley Kent's billing rate is \$2224 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Kelley will oversee all media planning and buying projects.
D. Mehera May, RSE Associate Social Marketing Director	\$ 15,840.00	Mehera May's billing rate is \$220 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Mehera will be the strategic lead for F5SMC, will oversee account work and staff assigned to the project. Will lead development of strategic communications and all implementation activities for F5SMC.
E. Jonathan Bolivar, RSE Digital Strategist	\$ 6,784.00	Jonathan Bolivar's billing rate is \$212 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Jonathan will assist the team in the continuing digital strategy, social media and website projects.
F. Alicia Leupp Hanley, RSE Account Supervisor	\$ 7,632.00	Alicia Leupp Hanley's billing rate is \$212 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Alicia will be the day-to-day contact, leading the account team in ensuring the most effective communications work is being done on strategy, on time and on budget.
G. Koula Gianulias and Allie Delehant, RSE Public Relations Account Manager(s)	\$ 8,400.00	The Account Manager billing rate is \$168 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Koula and Allie will assist any and all media relations assignments for F5SMC.
H. Laura Berruezo, RSE Art Director	\$ 10,400.00	Laura Berruezo's billing rate is \$160 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Laura will lead all design elements of implementing F5SMC's strategic communications plan.
I. Digna Roque and Josh Chilton, RSE Copywriters	\$ 8,000.00	The Copywriter billing rate is \$160 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Digna will lead all Spanish-language writing and design elements of implementing F5SMC's strategic communications plan. Josh will lead all English-language writing.
J. Leslie Valdivia, RSE Senior Account Coordinator	\$ 10,504.00	Leslie Valdivia's billing rate is \$132 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Leslie will assist the account team in coordinating all implementation activities for F5SMC.
K. Dominique Beilke, RSE Production Artist	\$ 2,560.00	Dominique Beilke's billing rate is \$128 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Dominique will assist with the production of design elements.
L. Brianna Redmond, RSE Production Manager	\$ 2,400.00	Brianna Redmond's billing rate is \$120 per hour. Hourly billing rates include employee salary, fringe benefits, operating expense allocations, indirect costs and profit. Brianna will plan and manage the production of all design elements.
Benefits @ %	\$ -	
Subtotal - Personnel	\$ 78,936.00	

II. OPERATING EXPENSES	A. Amount Requested	Description / Explanation
A. Rent and Utilities	\$ -	
B. Office Supplies and Materials	\$ -	
C. Telephone/Communications	\$ 500.00	RSE staff will provide services through Start Meeting
D. Postage/Mailing	\$ -	
E. Printing/Copying	\$ 500.00	RSE staff will provide services using in house printing capabilities

F. Equipment Lease	\$ -	
G. Travel Using Personal Vehicle	\$ 2,000.00	RSE staff to drive from Sacramento to San Mateo based on 0.565 IRS mileage rate
H. Travel Using Company Vehicle	\$ -	
I. Consultants (itemize):	\$ -	
Marguerite Cueto, Latino Expert Consultant @ \$200 per hour	\$ 3,000.00	
	\$ -	
J. Subcontractors (itemize):	\$ -	

	\$ -	
K. Other (Itemize)	\$ -	
K1. Media Buy (Pending F5SMC Approval)	\$ 10,000.00	
K2. Social Media Advertising (Pending F5SMC Approval)	\$ 5,000.00	
Subtotal - Operating Expenses	\$ 21,000.00	

III. CAPITAL EXPENDITURES	A. Amount Requested	Description / Explanation
Subtotal - Capital Expenditures		

IV. INDIRECT COSTS	A. Amount Requested	Allocation Method / Formula Used
<u> </u> %	\$ -	
Subtotal - Indirect Costs	\$ -	

V. TOTAL PROGRAM COSTS	A. Amount Requested	
Total of sections I - IV	\$	99,936.00

VI. IN KIND SUPPORT: Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.

VII. LEVERAGED FUNDS ARE FROM: Please list the funding sources and their amounts for funds identified in Column B. Also indicate which leveraged funds are not yet secured.

Mail signed First 5 San Mateo County Budget Request and Budget Narrative Forms to :
First 5 San Mateo County
Attn: F5SMC Communications & Operations Liaison
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402 – 3050

Electronic copy must also be submitted to:
F5SMC Communication & Operations Liaison

DATE: June 11, 2018

TO: First 5 San Mateo County Finance and Administration Committee

FROM: Kitty Lopez, Executive Director

RE: **Review and Recommend Approval of Amendments to Agreements for the First 5 California IMPACT Grant to:**

- A. San Mateo County Office of Education (SMCOE) in the Amount of \$1,327,526, Contract Term effective May 1, 2016 through June 30, 2020
- B. Child Care Coordinating Council of San Mateo County, Inc. (4Cs) in the Amount of \$318,328.00, Contract Term effective May 1, 2016 through June 30, 2020

ACTION REQUESTED

Review and Recommend Approval of Amendments to Agreements for the First 5 California IMPACT Grant to:

- A. San Mateo County Office of Education (SMCOE) in the Amount of \$1,327,526, Contract Term effective May 1, 2016 through June 30, 2020
- B. Child Care Coordinating Council of San Mateo County, Inc. (4Cs) in the Amount of \$318,328.00, Contract Term effective May 1, 2016 through June 30, 2020

BACKGROUND

- F5CA IMPACT Grant (Improve and Maximize Programs so All Children Thrive): In July 2015, First 5 California (F5CA) released a Request for Application (RFA) totaling \$190M in funding to support F5CA's IMPACT Grant FY 2015-2020. The goal of IMPACT is to utilize partnerships between F5CA and First 5 County Commissions to increase the number of high-quality early learning settings for children birth through 5, including supporting and engaging families in the early learning process.
 - ✓ First 5 San Mateo County (F5SMC) has won the F5CA-F5SMC IMPACT Grant totaling \$2,191,497 over five years (FY 2015-2020).
 - ✓ F5SMC, lead agency of the F5CA-F5SMC IMPACT Grant, receives Base Layer Funding of \$574,343; whereas executing partners San Mateo County Office of Education (SMCOE) and Child Care Coordinating Council of San Mateo County, Inc. (4C's) receive its allocated Step Layer Funding of \$1,298,826 and of \$318,328.00 respectively.
 - ✓ SMCOE recently received an additional Step Layer Incentive of \$28.700 for its deliverables in 2016.
- County of San Mateo's policy limits the County Contract Term in 3 years, unless obtaining approval from County of San Mateo Contract Compliance Committee (SMC CCC).
- F5SMC Commission approved the Agreement 19500-16-D016 to SMCOE and the Agreement 19500-16-D017 to 4Cs for the full allocated IMPACT amounts but limited the Contract Terms in 3 years per County of San Mateo's policy.
- F5SMC has recently obtained approval from SMC CCC to extend the Contract Terms of these Agreements to 2 more years, or from May 1, 2016 through June 30, 2020, in line with the 5-year F5CA-F5SMC IMPACT Grant.

AMENDMENTS TO AGREEMENTS

The proposed Amendments to Agreements are to amend the Contract Terms for both Agreements and to increase Total Amount of Agreement 19500-16-D06 to SMCOE for the inclusion of its Step Layer Incentive of \$28,700.

Amendment to Agreement	Contractor	Amended Contract Term	Amended Contract Amount	Attachment
Amendment to Agreement 19500-16-D016	San Mateo County Office of Education (SMCOE)	May 1, 2016- June 30, 2020	\$1,327,526	Attachment 7A
Amendment to Agreement 19500-16-D017	Child Care Coordinating Council of San Mateo County, Inc. (4C's)	May 1, 2016- June 30, 2020	NA	Attachment 7B

FISCAL IMPACT

None

ACTION REQUESTED

Review and Recommend Approval of Amendments to Agreements for:

- A. Agreement 19500-16-D016 to San Mateo County Office of Education (SMCOE) in the Amount of \$1,327,526, Contract Term effective May 1, 2016 through June 30, 2020.
- B. Agreement 19500-16-D017 to Child Care Coordinating Council of San Mateo County, Inc. (4Cs), Contract Term from May 1, 2016 through June 30, 2020.

**AMENDMENT TO THE AGREEMENT
BETWEEN
FIRST 5 SAN MATEO COUNTY
AND
SAN MATEO COUNTY OFFICE OF EDUCATION
(F5CA - F5SMC IMPACT GRANT)**

THIS AMENDMENT (the "Amendment"), is entered into this First day of July, 2018 by and between First 5 San Mateo County ("F5SMC" or the "Commission") and San Mateo County Office of Education (the "Grantee") (collectively, the "Parties");

RECITALS

- A. First 5 San Mateo County and San Mateo County Office of Education entered into a 38 month Agreement effective May 1, 2016 through June 30, 2018 regarding the F5CA - F5SMC IMPACT GRANT.

Now therefore, it is hereby agreed by the parties that:

1. **Section # 3 - Agreement Term and Termination** of the Agreement is replaced in its entirety with the following:

Agreement Term and Termination

Notwithstanding Paragraph 4(C) and Paragraph 5, each of which may require performance by the Grantee after the Agreement term is completed or the Agreement is terminated, the term of this Agreement shall be from May 1, 2016 to June 30, 2020. The Grantee further agrees that the requirements of this Agreement pertaining to indemnity in Paragraph 8, records in Paragraph 14, and intellectual property in Paragraph 15, and controlling law in Paragraph 19, shall survive the termination of this Agreement.

The Executive Director, after consultation with the Chair of the Commission, may at any time from execution of this Agreement, terminate this Agreement, with or without cause upon 30 days written notice specifying the effective date of such termination.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (collectively, "Materials") prepared by the Grantee under this Agreement shall become the property of the Commission and shall be promptly delivered to the Commission.

In the event of termination, the Grantee shall be paid for all work satisfactorily performed until termination.

In the event that the Commission makes any advance payments, the Grantee agrees to refund any amounts in excess of the amount owed by the Commission if the Agreement is terminated at the time the Agreement terminated. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed satisfactorily to the work/services required by the Agreement.

2. **Section # 4 – Payment of the Agreement** is replaced in its entirety with the following:

A. Maximum Amount. In full consideration of the Grantee’s performance of the Services, the amount that the Commission shall be obligated to pay under this Agreement shall not exceed ONE MILLION THREE HUNDRED TWENTY SEVEN THOUSAND FIVE HUNDRED TWENTY SIX DOLLARS (\$1,327,526).

B. Rate of Payment. The rate of payment shall be as specified in Exhibit B. The Commission reserves the right to withhold payment if the Commission determines that the quantity or quality of the work performed as described in Exhibit A is unacceptable. In the event that any advance or unearned payments are received by the Grantee, the Grantee shall hold such payments in trust for the benefit of the Commission and shall return or refund to the Commission any and all amounts held that are in excess of the amount owed by the Commission at the time the Agreement terminated.

C. Time Limit for Submitting. Grantee expenditures will be paid on a reimbursement basis only. On a quarterly basis, the Grantee shall submit actual expenses in a Financial Status Report and Reimbursement Request Form (the “Report”). This Report shall be submitted within 30 days after the end of each quarter being reported on for each funded fiscal year under this Agreement in accordance with the provisions of Exhibit B. Guidelines from the Grantee Handbook for the submittal of the Report will be provided on request.

D. Availability of Funds. Payment for all services provided pursuant to this Agreement is contingent upon the availability of funds under Proposition 10. In the event such funds are not provided or not available to the First 5 San Mateo County, the Commission shall not be liable for any payment under this Agreement. In such event, the Commission may terminate this Agreement for unavailability of State funds. If that occurs, the Commission shall request that the Executive Director inform the Grantee of such unavailability as soon as it is known, and, to the extent Proposition 10 funds remain and it is legally possible, the Commission shall pay all outstanding amounts due. In no event will the Commission be required to make payments under this Agreement from non-Proposition 10 Commission funds.

E. Supplantation. Funds pursuant to this Agreement are provided pursuant to Proposition 10 and are intended to supplement, expand upon, and enhance activities funded from existing sources. The Grantee shall not use funds under this Agreement to supplant existing resources or services.

3. **Section # 5 – Program Monitoring and Evaluation of the Agreement** is replaced in its entirety with the following:

Program Monitoring and Evaluation

The Grantee shall track the achievement of program objectives and the process and outcome measures for this project as they are described in the scope of work in Exhibit A. The Grantee shall cooperate with the Commission, the Staff and/or a Staff Designee hired to aid in the evaluation process. The Grantee shall collect client level data for each funded year and shall participate in a countywide and statewide evaluation of the effectiveness of Proposition 10 efforts, whether it occurs during or after the term of this contract. As requested by the Executive Director, his or her designee, and/or the Commission staff, the Grantee shall submit reports in the form of those included in the Grantee Handbook according to the following monitoring and evaluation dates:

A. Progress Report and Comprehensive Evaluation Tools due on:

1. January 30, 2016;
2. July 30, 2016;
3. January 30, 2017;
4. July 30, 2017;
5. January 30, 2018;
6. July 30, 2018;
7. January 30, 2019;
8. July 30, 2019;
9. January 30, 2020;
10. July 30, 2020;

4. Section # 18 – Notice of the Agreement is replaced in its entirety with the following:

A. Unless First 5 San Mateo County is informed in writing, of any change as to the name and address for any notice, request, demand or other communication required or permitted, that communication shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

- 1) In the case of Commission, to:
First 5 San Mateo County
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402
Phone: (650) 372-9500

- 2) In the case of the Grantee, to:
San Mateo County Office of Education
101 Twin Dolphin Drive
Redwood City, CA 94065
Phone: (650) 802-5623

B. “Digital signature” means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. A digital signature is a type of “electronic signature”. If the Parties wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law, both boxes below must be checked. Any Party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

For the Commission: If this box is checked by the Commission, the Commission consents to the use of electronic signatures in relation to this Agreement.

For the Grantee: If this box is checked by the Grantee, the Grantee consents to the use of electronic signatures in relation to this Agreement.

5. Except as modified herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representative, have affixed their hands to this Agreement.

San Mateo County Office of Education
101 Twin Dolphin Drive
Redwood City, CA 94065

First 5 San Mateo County
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

Print Name

CHAIR

Signature

Signature

Date

Date

Tax ID No.

19540-6126
Budget Unit No.

**AMENDMENT TO THE AGREEMENT
BETWEEN
FIRST 5 SAN MATEO COUNTY
AND
CHILD CARE COORDINATING COUNCIL OF SAN MATEO COUNTY, INC. (4C's)
(F5CA - F5SMC IMPACT GRANT)**

THIS AMENDMENT (the "Amendment"), is entered into this First day of July, 2018 by and between First 5 San Mateo County ("F5SMC" or the "Commission") and Child Care Coordinating Council of San Mateo County, Inc. (4C's) (the "Grantee") (collectively, the "Parties");

RECITALS

- A. First 5 San Mateo County (F5SMC) and Child Care Coordinating Council of San Mateo County, Inc (4C's) entered into a 38 month Agreement effective May 1, 2016 through June 30, 2018 regarding the F5CA - F5SMC IMPACT GRANT.

Now therefore, it is hereby agreed by the parties that:

1. **Section # 3 - Agreement Term and Termination** of the Agreement is replaced in its entirety with the following:

Notwithstanding Paragraph 4(C) and Paragraph 5, each of which may require performance by the Grantee after the Agreement term is completed or the Agreement is terminated, the term of this Agreement shall be from May 1, 2016 to June 30, 2020. The Grantee further agrees that the requirements of this Agreement pertaining to indemnity in Paragraph 8, records in Paragraph 14, and intellectual property in Paragraph 15, and controlling law in Paragraph 19, shall survive the termination of this Agreement.

The Executive Director, after consultation with the Chair of the Commission, may at any time from execution of this Agreement, terminate this Agreement, with or without cause upon 30 days written notice specifying the effective date of such termination.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (collectively, "Materials") prepared by the Grantee under this Agreement shall become the property of the Commission and shall be promptly delivered to the Commission.

In the event of termination, the Grantee shall be paid for all work satisfactorily performed until termination.

In the event that the Commission makes any advance payments, the Grantee agrees to refund any amounts in excess of the amount owed by the Commission if the Agreement is terminated at the time the Agreement terminated. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed satisfactorily to the work/services required by the Agreement.

2. **Section # 5 – Program Monitoring and Evaluation of the Agreement** is replaced in its entirety with the following:

The Grantee shall track the achievement of program objectives and the process and outcome measures for this project as they are described in the scope of work in Exhibit A. The Grantee shall cooperate with the Commission, the Staff and/or a Staff Designee hired to aid in the evaluation process. The Grantee shall collect client level data for each funded year and shall participate in a countywide and statewide evaluation of the effectiveness of Proposition 10 efforts, whether it occurs during or after the term of this contract. As requested by the Executive Director, his or her designee, and/or the Commission staff, the Grantee shall submit reports in the form of those included in the Grantee Handbook according to the following monitoring and evaluation dates:

A. Progress Report and Comprehensive Evaluation Tools due on:

1. January 30, 2016;
2. July 30, 2016;
3. January 30, 2017;
4. July 30, 2017;
5. January 30, 2018;
6. July 30, 2018;
7. January 30, 2019;
8. July 30, 2019;
9. January 30, 2020;
10. July 30, 2020;

3. **Section # 18 – Notice of the Agreement** is replaced in its entirety with the following:

- A. Unless First 5 San Mateo County is informed in writing, of any change as to the name and address for any notice, request, demand or other communication required or permitted, that communication shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

- 1) In the case of Commission, to:
First 5 San Mateo County
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402
Phone: (650) 372-9500
- 2) In the case of the Grantee, to:
Child Care Coordinating Council of San Mateo County, Inc,
330 Twin Dolphin Drive, Suite 119
Redwood City, CA 94065

B. "Digital signature" means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. A digital signature is a type of "electronic signature". If the Parties wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law, both boxes below must be checked. Any Party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

For the Commission: If this box is checked by the Commission, the Commission consents to the use of electronic signatures in relation to this Agreement.

For the Grantee: If this box is checked by the Grantee, the Grantee consents to the use of electronic signatures in relation to this Agreement.

4. Except as modified herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representative, have affixed their hands to this Agreement.

**Child Care Coordinating Council of
San Mateo County, Inc.**
330 Twin Dolphin Drive, Suite 119
Redwood City, CA 94065

First 5 San Mateo County
1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

Print Name

CHAIR

Signature

Signature

Date

Date

Tax ID No.

19540-6126

Budget Unit No.