



# WORKFORCE DEVELOPMENT BOARD OF SOLANO COUNTY

## **Budget Committee Meeting**

Wednesday, July 12, 2023

3:00 p.m. – 4:00 p.m.

Location:

500 Chadbourne Road, Suite A  
Fairfield, CA 94534



**WORKFORCE DEVELOPMENT BOARD**

OF SOLANO COUNTY

**BUDGET COMMITTEE**

**Wednesday, July 12, 2023**

**3:00 – 4:00 p.m.**

**500 Chadbourne Road, Suite A**

**Fairfield, CA 94534**

**MEETING AGENDA**

- I. Welcoming/Convening**
- II. Agenda Changes and/or Deletions**
- III. Public Comment** - *Public comments on agenda items and items under the jurisdiction of the Committee shall be made at this time. A time limit of 3 minutes may be imposed. No action may be taken on non-agenda items*
- IV. Closed Session**
  - A. Pursuant to §54957.7 Discussion of potential and on-going fraudulent banking activity incident, employee findings and next steps
- V. Open Session**
  - A. Pursuant to §54957.7 Report on any Action Resulting from Closed Session
- VI. Action Items** **PAGE**
  - A. Approval of May 11, 2023 Meeting Minutes **1**
- VII. Discussion Items** **2**
  - A. Review and Discussion of Financial Reserve Policy
  - B. Discussion of Budget Modification Authority
- VIII. Adjournment**

Note: The next Budget Committee will be scheduled at a later time.

# ACTION ITEMS



**BUDGET COMMITTEE MEETING MINUTES**  
**May 11, 2023**

**I. Welcoming/Convening**

Board Chair, Mario Giuliani, called the meeting to order at 10:00 a.m. Quorum was established.

**Members Present:** Mario Giuliani, Dr. Celia Esposito-Noy, Thomas Stuebner

**Members Absent:** Tim Healer, Fadi Halabi, Megan Richards

**Staff Present:** Heather Henry, Tammy Gallentine, Lauren Bender

**II. Additions and/or Deletions from the Agenda**

There were no changes and/or deletions to the agenda.

**III. Public Comment**

There were no public comments.

**IV. Closed Session**

**At 10:01 a.m., Mr. Giuliani closed the public meeting and adjourned into closed session to discuss the following item:**

A. Pursuant to §54957.6(a) Discussion Regarding Employee Matters

**V. Open Session**

**At 10:07 a.m., the public meeting was reconvened.**

A. Pursuant to §54957.6(a) Report on any Action Resulting from Closed Session

The Committee did not take any action on this matter.

**VI. Action Items**

**A. Approval of June 10, 2022, Meeting Minutes**

**MOTION #1**

A motion was made and seconded to approve the meeting minutes.

**(Esposito-Noy/Stuebner) MOTION PASSED UNANIMOUSLY**

**B. Review and Approval of the Proposed Projected Budget for Fiscal Year (FY) 2023-24 for Recommendation to the Full Board**

Ms. Henry gave a detailed overview of agenda item IV.B, which was included as part of the agenda package and incorporated herein. Ms. Henry noted the agenda item summary states an overall increase of \$81,599,066, however this was an error and should read \$1,599,066. A presentation was provided outlining budget projection considerations, types of revenue, budget comparison, and projected expenditures. During budget discussion, the committee agreed that a meeting should be scheduled to discuss developing a policy to determine a threshold of budget amendments and policy budget changes and reserve accounts. A meeting will be scheduled in July or August.

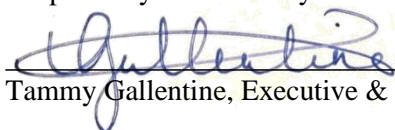
**MOTION #2**

A motion was made and seconded to approve the proposed projected Budget for Fiscal Year 2023-24 for recommendation to the full Board of Directors.

**(Esposito-Noy/Stuebner) MOTION PASSED UNANIMOUSLY**

**VII. Adjournment -** The meeting was adjourned at 10:49 a.m.

Respectfully submitted by:



Tammy Gallentine, Executive & Board Support Specialist

# DISCUSSION ITEMS





WORKFORCE DEVELOPMENT BOARD  
OF SOLANO COUNTY

## POLICY ISSUANCE

Date: xxx

Number: xxxx-xx

### FINANCIAL RESERVES POLICY

#### INTRODUCTION

The intent of this policy is to guide the parameters and uses of the Workforce Development Board (WDB) of Solano County's unrestricted funding, or reserves. The financial reserves ensures that the WDB has sufficient liquidity to address unexpected events or large unbudgeted expenses, cover potential risks of disallowed costs, and ensure adequate cash flow needed to address the revenue and expense volatility of cost-reimbursable funding. In addition, the reserves provide a source of internal funds for organization priorities, program opportunity, and capacity building.

**Commented [HH1]:** Are these the same or do we want to treat unrestricted funding differently than reserves in general?

#### QUESTIONS

Questions relating to this policy should be directed to Heather Henry, President/Executive Director, at [hhenry@solanowdb.org](mailto:hhenry@solanowdb.org) or at 707.863.3501.

#### POLICY

The WDB maintains a reserve account with the County Treasury. The reserves are funded with surplus unrestricted operating funds received. The Board of Directors via the Budget Committee maintains oversight of the WDB reserves. The Board of Directors may from time to time direct that a specific source of revenue be set aside for reserves.

Reserves allow the WDB to address unexpected events or large unbudgeted expenses and cover the cost of disallowed expenditures. Reserves should not be used to cover a long-term or permanent income shortfall. Rather, reserves allow the WDB to weather serious financial challenges by buying time to implement new strategies.

#### TYPES OF RESERVES

The reserves serve multiple purposes and, therefore, are distinguished by two categories:

1. Operating Reserves
2. Opportunity Reserves

**Commented [HH2]:** If a unit brings in unrestricted funding, do we want to distinguish that from organizational unrestricted funding?

#### Operating Reserves

The purpose of operating reserves is to ensure the stability of the programs, employment, and ongoing operations of the organization. The operating reserves are intended to provide an internal source of funds for contingency situations such as sudden increase in expenses, one-time unbudgeted expenses, or unanticipated loss in funding. In addition,

operating reserves provide an internal source of funds for liability situations, including any costs identified as disallowable by funders.

The target minimum operating reserves is equal to one full payroll including taxes. The operating reserves will be recorded in the Private Industry Council (PIC) account with the County Treasury. It is the intention of the WDB for operating reserves to be used and replenished within a reasonably short period of time.

**Commented [HH3]:** This would equate to about \$100,000

**Commented [HH4]:** Does the board want to see operating and opportunity reserves segregated into different accounts?

### Opportunity Reserves

The purpose of opportunity reserves is to provide funds to meet special targets of opportunity or need that further the mission of the organization which may or may not have specific expectation of incremental or long-term increased income. The opportunity reserve is also intended as a source of internal funds for organizational capacity building such as staff development, research and development, or investment in infrastructure that will build long-term capacity.

### USE AND REPLENISHMENT OF FUNDS

Use of reserves requires three steps:

1. Identification of appropriate use of reserve funds – The Executive Director and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.
2. Authority to use operating reserves – The Executive Director will submit a request to use reserves to the budget committee of the Board of Directors. The Budget Committee will approve or modify the request and authorize use of reserves.
  - a. Authority for use of reserves is delegated to the Executive Director in consultation with the Treasurer.
  - b. The Executive Director must receive prior approval from the Executive Committee/Board of Directors if the reserves will take longer than 12 months to replenish or is in excess of \$XXX.
3. Reporting and monitoring – the Executive Director is responsible for ensuring that the reserves are maintained and used only as described in this policy. The use of reserves will be reported to the Budget Committee at their next scheduled meeting, accompanied with a description of the analysis and determination of use of funds and plans for replenishment, if applicable.

**Commented [HH5]:** What level of oversight would the budget committee like to have over reserves?

Reserve funds may be invested with approval from the Board of Directors.

**Commented [HH6]:** Do we want to allow investment of reserves?

### Approved by

Workforce Development Board of Solano County  
County of Solano