

FINANCE COMMITTEE MEETING

Date: July 23, 2025

Time: 5:00 PM

Location: 1920 Mariposa Street, Suite 310, Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER	ACTION
1.	CALL TO ORDER	Garabedian, Committee Chair	
2. Page 2	ROLL CALL A. Monthly Attendance Record		
3. Page 3	JUNE 25, 2025, FINANCE COMMITTEE MEETING MINUTES	Garabedian, Committee Chair	Approve
4. Page 7	AGENCY FINANCIAL AND HEAD START FINANCIAL STATUS REPORT MAY 2025 A. Supporting Document - CSBG Organizational Standard 8.7	Charter Impact	Accept
5. Page 11	VARIANCE REPORTS A. Food Services	Charter Impact	Information
6. Page 14	ADVANCE PEACE: BUREAU OF JUSTICE ADMINISTRATION COSTA EARMARK W/CITY OF FRESNO MENTAL HEALTH SERVICES CONTRACT	Turner, Staff	Approve
7. Page 15	INSURANCE AND PAPERSAVE UPDATES	Riofrio, Staff	Information
8.	PUBLIC COMMENTS <i>(This is an opportunity for the members of the public to address the Board on any matter related to the Commission that is not listed on the agenda. Limit two minutes per speaker.)</i>		
9.	COMMISSIONERS' COMMENT	Garabedian, Committee Chair	
10.	EXECUTIVE SESSION		
11.	ADJOURNMENT	Garabedian, Committee Chair	
Note:	NEXT COMMITTEE MEETING: Wednesday, August 13, 2025, at 5:00 p.m. at the Fresno EOC Board Room.		



Finance Committee Meeting Monthly Attendance Record 2025

Charles Garabedian
Debra Mckenzie
Manuel Romero
Alysia Bonner
Rey Leon

January	19-Feb	12-Mar	2-Apr	14-May	27-May	25-Jun	23-Jul	13-Aug	10-Sep	8-Oct	12-Nov	10-Dec	Attended
	O	O	O	O	O	O							6/12
	O	O	O	O	X	O							5/12
	O	T	T	T	T	T							6/12
	O	O	X	T	T	T							5/12
	T	X	X	X	X	X							1/12

O-Present X-Absent T-Teleconference



FINANCE COMMITTEE MEETING

Date: June 25, 2025

Time: 5:00 PM

Location: 1900 Mariposa Street, Suite 108, Fresno, CA 93721

MINUTES

1. **CALL TO ORDER**

Charles Garabedian, Chair, called the meeting to order at 5:00 p.m.

2. **ROLL CALL**

Roll was called and a quorum was established.

Committee Members:

Charles Garabedian
Debra McKenzie

Staff:

Brian Angus
Salam Nalia
Jack Lazzarini
Sherry Neil
Angela Riofrio
Steve Warnes
Ana Medina

Dion Varnado
Chris Erwin
Alison Tatem
Steve Warnes

Teleconference:

Manuel Romero
Alysia Bonner

Absent:

Rey Leon

3. **MAY 14, 2025, FINANCE COMMITTEE MEETING MINUTES**

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nays: None heard

4. **HEAD START 0 TO 5 CONSCIOUS DISCIPLINE**

Michael Balderas, Head Start Director, provided an overview of Conscious Discipline. Alison Tatem, Interim Finance Manager, confirmed that the program is included in the current budget, with a budgeted amount of \$438,042.67.

Commissioner Debra McKenzie requested that future staff reports specify whether the item is budgeted and identify the funding source when presented to the Board of Commissioners. Salam Nalia, Interim Deputy CEO, noted that this is a sole source item and has been approved by the Office of Head Start.

Public Comment: None heard.

Motion by: Debra McKenzie **Second by:** Manuel Romero

Ayes: All in favor.

Nayes: None heard

5. GENERAL LIABILITY & AUTO INSURANCE

Steve Warnes, Finance Officer, provided an overview of various changes to the General Liability and Auto Insurance coverage.

Committee Chair Garabedian noted a discrepancy between the staff report and the NIAC coverage breakdown. Staff clarified that the deductible will range between \$5,000 and \$10,000, rather than a flat \$10,000 across all categories

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nayes: None heard

6. RFP FOR LEGAL SERVICES

Chris Erwin, Procurement Director, provided an overview of the Request for Proposals (RFP) for Legal Services. He stated that, in addition to being posted on the agency's website, the RFP will be published in the Business Journal, shared with the Bar Association, and promoted through Fresno EOC's social media channels.

Committee Chair Garabedian requested that the RFP be released as soon as possible, noting that the agency is currently operating under a month-to-month agreement with the existing legal services provider.

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nayes: None heard

7. BANKING CHANGE – WELLS TO COMMUNITY WEST BANK

Nalia provided an overview of the proposed banking transition from Wells Fargo to Community West Bank.

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nayes: None heard

8. FOOD SERVICES: CONSULTING SERVICES CONTRACT

Nalia provided an overview of the Food Services: Consulting Services Contract. He stated that the total cost for the preliminary and final report is \$36,000.

Commissioner Debra McKenzie inquired whether this was a formal contract, to which Nalia confirmed it is. She also asked if the agency could connect with other clients who have previously used the consultant's services. Erwin responded that staff can and will reach out to past clients for feedback. Committee Chair Garabedian requested that the staff report for the September Board meeting reflect that four vendors inquired about the RFP, but only one submitted a response.

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nayes: None heard

9. AGENCY FINANCIAL AND HEAD START FINANCIAL STATUS REPORT APRIL 2025

Angela Riofrio, Finance Director, provided an overview report of the Agency Financial Statements and the Head Start Financial Status Report as of April 30, 2025, with a revenue of \$52,970,081 and a total of \$53,551,489 in expenditures, which is 29% of the budget. The total net difference between operating revenue and expenditure is (\$581,408) deficit year-to-date.

Public Comment: None heard.

Motion by: McKenzie **Second by:** Romero

Ayes: All in favor.

Nayes: None heard

10. HEALTH INSURANCE REPORT

Warnes presented the health insurance fund report. As of April 30, 2025, the health insurance reserve of \$3.9 million will cover approximately 3.8 months of average expenditures. Contributions from programs and employees for 2025 total \$3,882,630 while the Fund paid out \$4,157,747 in expenses

No action required.

11. VARIANCE REPORTS

Rebecca Heinrichy, representing Charter Impact Contracted Financial Leadership Services, presented an overview of the School of Unlimited Learning (SOUL) Variance Report. She reported that the current funding determination is at 85%, and if the request to restore 100% funding determination is not approved, the resulting reduction in State Aid revenue will total \$473,477.

Heinricy outlined the steps SOUL must take to regain eligibility for 100% funding determination and provided a detailed variance report. She also noted that SOUL currently maintains a \$2 million reserve balance.

Dion Varnado, SOUL Director, provided an overview of the school's goals and recent instructional enhancements. He highlighted a new partnership with Fresno City College – West Fresno Campus, which will offer enrollment slots for SOUL students and provide assistance with transportation fees for those attending.

Public Comment: None heard.

No action required.

12. PUBLIC COMMENTS

Public Comment: None heard.

No action required.

13. COMMISSIONERS' COMMENT

Nalia noted that it may be too early for the Committee to convene on July 9, 2025. Following discussion, the Commissioners agreed to reschedule the next Finance Committee Meeting to July 25, 2025.

Public Comment: None heard.

No action required.

14. EXECUTIVE SESSION

Public Comment: None heard.

No action required.

15. ADJOURNMENT

The meeting adjourned at 6:02 p.m.



FINANCE COMMITTEE MEETING

Date: July 23, 2025	Program: Finance
Agenda Item #: 4	Director: Angela Riofrio
Subject: Agency Financials and Head Start Financial Status Report May 2025	Officer: Salam Nalia

Recommended Action

Interim Chief Executive Officer recommends Committee acceptance of the interim consolidated Agency Financial Statements and Head Start 0 to 5, as of May 31, 2025.

CSBG Organizational Standard

The governing board receives financial reports at each regular meeting that include the following per Category 8, Standard 8.7:

1. Organization-wide report on revenue and expenditure that compares budget to actual; and
2. Balance sheet/statement of financial position.

Background

The following pages have been prepared by Charter Impact for presentation to the Finance Committee and reflect their analysis, recommendations, and financial reporting in support of the agency's fiscal oversight.

Conclusion

Acceptance of these financials by the Committee will enable this document to be presented for full Board consideration. The Board's oversight of the financial operations of Fresno EOC is a key aspect of its fiduciary duty.

Fresno EOC

Agency financials analysis

May 2025

Financial review:

Through the period ending May 31, 2025, total revenue for Fresno EOC is \$67.2M or 37% of the 2025 budget. Total cash revenue of \$50.2M or 36% of the 2025 budget. By comparison, cash revenue was at 41% of the 2024 budget as of May 2024. In-kind revenue is currently below budget, but a significant portion of Head Start's match is captured semi-annually for the State funds that are braided into the program.

Total expenditures of \$67.8M represents 37% of the 2025 budget. Cash expenditures of \$50.8M are \$1.5M less than they were through the same period 2024 which reflects the cost reduction efforts that have begun to be implemented. Personnel costs of \$31.8M are 40% of the annual budget and is \$0.9M lower than personnel costs in the prior year through May. Cost savings versus 2024 costs are also seen in Travel, Mileage, and Vehicle Costs which have been reduced by \$0.7M from cost incurred through May of each year.

While there has been significant improvement in the financial status as compared to operations in 2024, there is still a deficit of \$0.6M as of May. To improve cash flow and to begin to restore reserves, Fresno EOC must operate at a surplus.






















Cash at the end of May 2025 was \$3.0M. With an accounts payable balance of \$3.4M, it is critical to identify a source for operating cash. However, the second portion of the loan from Self-Help was received in mid-June. The accounts receivable balance of \$13.2M should be reviewed to help convert these balances into cash payments as quickly as possible.

Financial summary:

- The financial status has improved over the previous year due to cost-saving efforts.
- Cash on hand is insufficient to cover current obligations.
- The current deficit at the Agency level further deteriorates the financial status.
- Further cost reductions are necessary, especially within any programs / functions that continue to project operating at a deficit.
- Identification of new funding streams, especially unrestricted funding, is critical.



FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF ACTIVITIES
Period Ending May 31, 2025 (42% Variance)

	A	B	A - B	C	D	B - D
	BUDGET JAN - DEC 2025	ACTUAL May 2025	BUDGET VARIANCE (TARGET 42%)	ACTUAL JAN - DEC 2024	ACTUAL May 2024	ACTUAL 2025 vs 2024 Differences
REVENUES AND SUPPORT						
GRANT REVENUE <i>(without CBSG)</i>	\$ 106,386,393	\$ 36,861,538	 35%	\$ 85,230,801	\$ 35,651,629	\$ 1,209,908
GRANT REVENUE - CSBG	2,039,380	1,092,439	 54%	2,077,661	317,780	774,659
FEE FOR SERVICE REVENUE	26,278,082	10,176,327	 39%	25,811,831	11,419,175	(1,242,848)
OTHER REVENUE	3,202,765	2,083,316	 65%	6,771,912	1,795,896	287,420
DONATION CONTRIBUTIONS	-	21,734	0%	73,690	27,649	(5,915)
TOTAL CASH REVENUE	\$ 137,906,619	\$ 50,235,354	 36%	\$ 119,965,895	\$ 49,212,129	\$ 1,023,225
IN KIND REVENUE	44,778,191	16,967,707	 38%	49,822,605	22,769,284	(5,801,578)
TOTAL REVENUE & SUPPORT	\$ 182,684,810	\$ 67,203,061	 37%	\$ 169,788,500	\$ 71,981,413	\$ (4,778,353)
EXPENDITURES						
PERSONNEL COSTS	\$ 79,013,871	\$ 31,783,040	 40%	\$ 74,638,227	\$ 32,656,050	\$ (873,010)
ADMIN SERVICES	8,770,546	3,360,643	 38%	7,751,664	3,153,275	207,368
CONTRACT SERVICES	12,456,815	5,366,022	 43%	11,943,822	5,439,910	(73,888)
FACILITY COSTS	10,035,412	2,997,896	 30%	6,913,881	2,837,340	160,556
TRAVEL, MILEAGE, VEHICLE COSTS	3,585,864	863,875	 24%	3,304,981	1,598,207	(734,333)
EQUIPMENT COSTS <i>(minus depreciation)</i>	6,046,313	385,158	 6%	1,805,239	470,758	(85,600)
DEPRECIATION - AGENCY FUNDED	296,000	91,764	 31%	276,375	128,816	(37,052)
OFFICE EXPENSE	2,057,100	1,344,833	 65%	3,338,895	1,268,757	76,076
INSURANCE	1,033,068	523,272	 51%	1,090,473	430,926	92,346
PROGRAM SUPPLIES & CLIENT COSTS	10,899,300	4,066,146	 37%	9,488,732	3,902,107	164,039
OTHER COSTS	2,877,597	35,046	 1%	706,678	446,069	(411,023)
TOTAL CASH EXPENDITURES	\$ 137,071,885	\$ 50,817,694	 37%	\$ 121,258,969	\$ 52,332,215	\$ (1,514,520)
IN KIND EXPENSES	44,778,191	16,967,707	 38%	49,822,605	22,769,284	(5,801,578)
TOTAL EXPENDITURES	\$ 181,850,076	\$ 67,785,401	 37%	\$ 171,081,574	\$ 75,101,499	\$ (7,316,098)
OPERATING SURPLUS (DEFICIT)	\$ 834,734	\$ (582,340)		\$ (1,293,074)	\$ (3,120,085)	\$ 2,537,745
OTHER INCOME / EXPENSE						
TRANSIT GRANT ASSET DEPRECIATION		(33,595)		(162,965)	(78,075)	
NET SURPLUS (DEFICIT)	\$ 834,734	\$ (615,936)		\$ (1,456,039)	\$ (3,198,161)	\$ 2,582,225

FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF FINANCIAL POSITION
as of May 31, 2025

	2025	2024	Differences
ASSETS			
CASH & INVESTMENTS	\$ 2,965,331	\$ 6,976,855	\$ (4,011,524)
ACCOUNTS RECEIVABLE	13,233,505	12,530,774	702,731
PREPAIDS/DEPOSITS	408,593	361,351	47,242
INVENTORIES	186,868	196,352	(9,484)
PROPERTY, PLANT & EQUIPMENT	13,185,167	13,444,994	(259,827)
NOTES RECEIVABLE (net)	(0)	331,197	(331,197)
TOTAL ASSETS	\$ 29,979,464	\$ 33,841,523	\$ (3,862,059)
LIABILITIES			
ACCOUNTS PAYABLE	\$ 3,393,739	\$ 4,520,124	\$ (1,126,385)
ACCRUED PAYROLL LIABILITIES	5,605,628	6,409,615	(803,987)
DEFERRED REVENUE	3,706,690	3,797,248	(90,558)
NOTES PAYABLE	3,199,362	2,815,869	383,494
HEALTH INSURANCE RESERVE	4,578,470	7,460,883	(2,882,413)
OTHER LIABILITIES	770,071	950,669	(180,599)
TOTAL LIABILITIES	\$ 21,253,960	\$ 25,954,409	\$ (4,700,448)
FUND BALANCE			
CURRENT OPERATING EARNINGS (YTD)	\$ (582,340)	\$ (2,795,596)	\$ 2,213,256
UNRESTRICTED NET ASSETS	(1,417,711)	(1,895,090)	477,379
REVOLVING LOAN FUND	556,268	556,268	0
INVESTMENT IN GENERAL FIXED ASSETS	10,169,285	12,021,532	(1,852,246)
TOTAL FUND BALANCE	\$ 8,725,503	\$ 7,887,114	\$ 838,389
TOTAL LIABILITIES AND FUND BALANCE	\$ 29,979,464	\$ 33,841,523	\$ (3,862,059)



FINANCE COMMITTEE MEETING

Date: July 23, 2025	Program: Finance
Agenda Item #: 5	Director: Angela Riofrio
Subject: Variance Reports	Officer: Salam Nalia

Recommended Action

The information is presented to keep the Committee apprised on the fiscal status of selected program(s) within the Agency that are routinely shared with Program Directors and Executive staff.

Background

The following pages have been prepared by Charter Impact specifically for presentation to the Finance Committee and reflect their analysis, recommendations, and financial reporting in support of the agency's fiscal oversight.

Conclusion

This item is for informational purposes only.

Fresno EOC

Food Services variance report as of May 2025

Fresno EOC operates multiple contracts within the Food Services program that have different funding periods and funding sources. The financial stability of the Food Services has been steadily declining over the past five years as the growth in expenses exceed the growth in revenue. Efforts are underway to reduce costs and increase revenue (contract pricing and number of clients served) for this year. Based on our review of the financial information provided, we forecast that the deficit through May of \$370,886 will grow to a deficit of \$559,100 for the year.

	FY 25 YTD	Fiscal year ending				
	05/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Surplus <Deficit>	(370,886)	(1,508,792)	(227,936)	(26,893)	180,637	390,816
CSBG programming	-	230,462	284,342	323,634	26,621	25,382
Surplus <Deficit> pre-CSBG	(370,886)	(1,739,254)	(512,278)	(350,527)	154,016	365,434
% of revenue	-9%	-18%	-5%	-4%	2%	5%

As seen in the chart below, expenses other than personnel have remained consistent as a percentage of revenue. Personnel, however, has more than doubled since fiscal year 2020 and has increased from 25% of revenue to 45% of revenue. Personnel cost has now replaced raw food as the highest cost category at Food Services.

Break-out of revenue utilization by period

	FY 25 YTD	Fiscal year ending				
	05/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Personnel Costs	45%	50%	41%	37%	28%	25%
Contract Services	14%	12%	11%	12%	15%	14%
Supplies - Raw Food	40%	41%	40%	40%	44%	45%
Other Expense	11%	12%	11%	11%	11%	10%
Surplus / Deficit	-9%	-16%	-2%	0%	2%	5%
Total Revenue	100%	100%	100%	100%	100%	100%

Impact on Fresno EOC:

- Food Services is projected to have a deficit and is not budgeted for CSBG support.
- Cash flow will be negative due to the anticipated deficit.
- Uncertainty around the Federal USDA funding could significantly impact future operations and will need to be monitored.



**Fresno Economic Opportunities Commission
2025 FOOD SERVICES VARIANCE REPORT**

May Variance Report 42%	2025 Budget	Jan-May Actual	Remaining Budget	% Budget Used 42%	2025 Projection
REVENUE AND SUPPORT					
Grant Revenue	\$ 440,000	\$ 73,017	\$ 366,983	17%	\$ 307,300
Fee for Service Revenue	7,844,496	2,853,221	4,991,274	36%	7,032,200
Other Program Revenue	2,204,562	1,244,408	960,154	56%	2,626,000
TOTAL REVENUE AND SUPPORT	\$ 10,489,058	\$ 4,170,646	\$ 6,318,412	40%	\$ 9,965,500
EXPENSES					
Personnel Costs	\$ 4,244,752	\$ 1,867,562	\$ 2,377,190	44%	\$ 3,960,000
Contract Services	1,206,729	567,297	639,432	47%	1,528,000
Facility Costs	166,145	89,027	77,118	54%	210,000
Travel, Mileage, & Vehicle Costs	18,383	7,520	10,863	41%	18,400
Equipment Costs	163,906	32,342	131,565	20%	85,200
Office Expense	175,038	60,894	114,144	35%	140,000
Insurance Expense	35,523	14,043	21,480	40%	33,700
Program Supplies & Client Costs	4,474,054	1,902,536	2,571,519	43%	4,546,000
Other Costs	4,526	1,386	3,140	31%	3,300
TOTAL EXPENSES	\$ 10,489,058	\$ 4,542,606	\$ 5,946,452	43%	\$ 10,524,600
NET SURPLUS/(DEFICIT)	\$ 0	\$ (371,960)	\$ 371,960	42%	\$ (559,100)



FINANCE COMMITTEE MEETING

Date: July 23, 2025	Program: Advance Peace
Agenda Item #: 6	Director: Patrick Turner
Subject: Bureau of Justice Administration Costa Earmark w/City of Fresno Mental Health Services contract	Officer: Sherry Neil

Recommended Action

Interim Chief Executive Officer recommends Committee approval for full Board consideration of the Contract Services Agreement with Integral Community Solutions Institute (ICSI) in the amount of \$135,000 from July 1, 2025, to March 31, 2026.

Background

Fresno EOC requested and was awarded a funding earmark of \$300,000 from Congressman Costa's office and the US Department of Justice Bureau of Justice Administration in 2022. The City of Fresno has requested that mental health services, delivered by a licensed practitioner be provided to 70 participants of Advance Peace at the Medicaid allowable rate of \$81.25 per hour or \$650 per day. The City also requested that the mental health provider complete an evaluation of services at an additional \$15,000.

Advance Peace utilizes a Mental Health Professionals to support staff and fellows in addressing trauma stemming from gun violence. Fresno EOC identified Community Counseling Services (Integral Community Solutions Institute) who can provide mental health services at the price point, is already an evaluator of the City of Fresno, and all staff are registered and licensed with the State of California.

Fiscal Impact

The total cost of this contract is \$120,000 for mental health services to 70 participants and \$15,000 for the final evaluation by the Mental Health provider. All these costs will be reimbursed by the Bureau of Justice Administration earmark of \$300,000 administered by the City of Fresno. This item was passed by the Fresno City Council on June 12, 2025, with a start date of July 1, 2025. All services will cease on March 31, 2026.



FINANCE COMMITTEE MEETING

Date: July 23, 2025	Program: Finance
Agenda Item #: 7	Director: Angela Riofrio
Subject: Insurance and PaperSave Updates	Officer: Salam M. Nalia

Recommended Action

The information is presented to keep the Committee apprised on the status of the Coupa to PaperSave transition and implementation and the general liability insurance policies.

Background

Coupa to PaperSave Transition and Implementation Update

The transition from Coupa to PaperSave is progressing well and remains on schedule. While Coupa remains as our primary system during this period, key milestones for the new platform have been met.


- **Invoice Workflow:** Initial configuration is complete, and this module has now moved into the testing phase. We are thoroughly testing the newly implemented business rules for escalations and group policies.
- **Training:** Training for PaperSave reviewers and approvers will run from July 30 through mid-August.
- **PaperSave Pay:** Implementation has begun, and we are coordinating payment processes with Bottomline.
- **Procurement Module:** This implementation will kick off on August 5 with system administrator configuration and training.

We anticipate launching a small pilot program for invoice approvals by mid-to-late August.

Insurance & Risk Management Update

All required insurance policies have been executed, and certificates have been issued to our funders. Some funders have provided accommodations for our reduced umbrella coverage (\$5M to \$2M).

As a follow-up to our renewal meeting, we are scheduling recurring (monthly or quarterly) meetings to focus on risk management and claims consulting. The initial focus will be on realigning our auto exposure. We have confirmed with NIAC that some risk management measures are already in



place, and we have requested time with our carriers to discuss best practices for risk management, claims management, and our Commercial Auto policy.

Fiscal Impact

No impact.

Conclusion

This item is for information purposes only.