

**CareerSource Pinellas
Minutes of Executive Committee Meeting
05/02/2018**

Date: May 2, 2018, at 11:00am
Location: 13805 58th Street North

Call to Order

Chairman Geller called the meeting to order at 11:00am.
There was a quorum present with the following Executive Committee members participating.

Committee Members in attendance

Dr. Robert Arnold (phone), Tom Bedwell, Jack Geller, Commissioner Patricia Gerard, Michael Mikurak, Lenne Nicklaus (phone), William Price (phone).

Committee Members not in attendance

Karla Leavelle, Sandy Ho

Staff Present

Jennifer Brackney, Alice Cobb, Don Shepherd, Anna Munro, Luna Clarke, Joseph Calhoun.

Board Counsel: Charles Harris- Trenam Law

Guest (s): Andrea Henning – Board Member- CSPIN
Whitney Creech - Office of Comm. Gerard
Marion Hale - Johnson Pope
Melinda McKenna- D&D reporting
Mark Puente and Zachary Sampson- Tampa Bay Times

Chair's Report

- Chairman provided his report, which was distributed as the Newsletter handout. The Chairman also addressed the most recent article by the Tampa Bay Times, which addressed the lack of Board members participation. The Chairman encourages members to voice their concerns and reiterated that any items may be brought forth to be discussed at full Board meetings, should any member choose to do so.

Action Items

1. Approval of Minutes

The minutes of the March 14, 2018 Executive Committee meeting were presented for approval.

Motion: Comm. Patricia Gerard

Second: Michael Mikurak

The minutes were approved as presented. The motion carried.

2. WorkNet Pinellas, Inc. - Employer of Record

WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas is the employer of record for the approximately 230 employees working for both CareerSource Pinellas and CareerSource Tampa Bay. WorkNet Pinellas, Inc. administers all employment activities related to these employees. As the employer, WorkNet Pinellas, Inc. has responsibility and liability under various employment laws, payroll administration, equal employment and human resource administration. CareerSource Tampa Bay reimburses WorkNet Pinellas, Inc. for salaries associated with staff assigned to that region. With the administrative suspension of the CareerSource Pinellas and

CareerSource Tampa Bay President and CEO, the Chairs of each Board appointed two Interim Directors to oversee the day to day operations of the organization, one for CareerSource Tampa Bay and one for CareerSource Pinellas. In the interim, the Payroll Coordinator and Human Resource Director have been reporting to both Interim Directors. The duties associated with these positions, include the following:

Payroll Administrator

- Prepares and manages payroll processes of employees.
- Gathers all payroll related data and creates report.
- Reviews and calculates timesheets data and hours worked.
- Calculates salaries, wages and overtime wage sheets.
- Manages, maintains and updates payroll related data.
- Updates salary sheets and schedules.
- Answers and clarifies employees on payroll related inquiries.
- Submits payroll reports and sheets on time to the finance or other related department.
- Assists administrative or finance staff in processing payrolls of new hires or terminated employees.

Human Resources Administration

- Recruits and Selects employees
- Compensation and Evaluations
- Training and Development
- Compliance and Terminations

Equal Employment

- Assures legal compliance in hiring
- Creates equal opportunity programs
- Implements proactive policies
- Handles equal opportunity complaints.

Motion: Michael Mikurak

Second: Comm. Patricia Gerard

To ensure continuity of service delivery and to clarify lines of authority, the Executive Committee recommends aligning these positions with the Interim Director serving CareerSource Pinellas. The motion carried.

3. Approval of Program Year 2018-2019 Planning Budget

Career Source Pinellas has received planning allocations from the State of Florida and is anticipating a decrease in overall funding as compared to the prior year. The budgeted revenue has decreased from current budget of \$16,252,261 to a projected budget of \$11,564,332 an overall decrease of \$4,687,929. Most of the expenditure reductions are related to federal and state awards that will be ending PY2017-2018 such as the WIOA Performance Incentives, WIOA Community Based Sector Strategy Training Initiatives, WIOA Supplemental, Wagner Peyser Performance Incentives, Supplemental Nutrition Assistance Program (ERS), National Emergency Grant Sector Partnership, Robotics/Mechatronics Earmark Grant, Department of Children and Families Food For Families, Florida Makes and AmeriCorps. In addition, the Welfare Transition Program – Non Custodial Parent grant will be administered by another workforce board in FY2019. Carry-forward amounts are estimated and will be adjusted after Fiscal Year close in July.

In addition, several funding sources show a decrease because they are multiple year grants and the amount set aside for the PY 2018-2019 is less than the previous year, including the following: WIOA Community Based Sector Strategy IT Training (\$42,000), WIOA Governor's Challenge – Hurricane Maria Outreach (\$11,280), National Emergency Grant – Hurricane Maria (\$25,000), DOL YouthBuild (\$311,887), Able Trust (\$24,011) and Juvenile Welfare Board Youth Innovators (\$2,195). Lastly, the WIOA Dislocated Worker grant was reduced by 18 percent and Trade Adjustment Assistance (TAA) was decreased by 12 percent; additional TAA funding can be requested if needed.

Attachments:

FY 19 CareerSource Pinellas Planning Budget
FY 19 Science Center Budget
FY19 Budget Preparation – Revenue Estimates
FY19 Budget Request supporting details.

Motion: Tom Bedwell

Second: Comm. Patricia Gerard

The Executive Committee recommends approval of the planning budgets to have in place for July 1, 2018 and provide to the Pinellas Board of County Commissioners for their approval. Final submission will be provided to the State Workforce Board for review. The motion carried.

4. Approval of Program Year 2017 – 2018 Budget Modification No. 5

Total budgeted revenue has increased from \$15,909,627 to \$16,252,262 for an overall increase of \$342,635. This is due to the following:

Workforce Innovation and Opportunity Act Programs:

Increase in WIOA Sector Strategies Construction for \$50,000

Employment Services Programs:

Increase in Veteran's programs of \$27,635

Direct Grants and Special Programs:

New award - NEG Hurricane Maria of \$50,000

Increase in Science Center of \$215,000

Motion: Patricia Gerard

Second: Michael Mikurak

The Executive Committee recommends approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets. The motion carried.

5. Financial Institution - Authorized Signer

USAmeriBank is the Organization's financial institution. Edward Peachey – former President and CEO—is an authorized signer on this account.

On February 14, 2018, Jennifer Brackney was appointed as the Interim Director by the CareerSource Pinellas Executive Committee. The Board of Directors voted to terminate Mr. Peachey without cause, on March 21, 2018 at their regularly scheduled meeting

Motion: Patricia Gerard

Second: Michael Mikurak/ Bill Price

The Executive Committee recommends removing Edward Peachey as authorized signer on USAmeriBank accounts and adding Jennifer Brackney as an authorized signer. The motion carried.

6. Discussion Item- Incentives for Staff within Business Services (No votes were taken)

The Account Executives and Recruiters within the Business Services Department of CareerSource Tampa Bay and CareerSource Pinellas have received monthly incentives for the past several years in accordance with a plan approved at the beginning of each program year by the President and CEO. These incentives were in addition to these staff's base salary and were earned based on meeting established measurable monthly goals that were developed annually by the President and CEO and the Director of Business Services and distributed to the staff. Currently there are 7 Account Executives and 15 Recruiters within the Business Services Department of CareerSource Tampa Bay and CareerSource Pinellas that are eligible to earn incentives. The entry level salary in the compensation plan for these two positions was determined through the study completed by Evergreen Solutions in June 2016. See salary range below:

Position Title	Minimum Salary	Mid Salary	Max Salary
Recruiter	\$40,000	\$ 52,000.00	\$ 64,000.00
Business Account Executive	\$46,600	\$ 60,600.00	\$ 74,600.00

However, due to the potential to earn incentives (up to \$16,800 annually in Program Year 2017-2018), new staff hired into the Recruiter positions were hired at a salary of \$35,000. In all cases in the last several years, Account Executives were promoted from Recruiters within the organization at a salary of \$45,500 and not recruited/hired from external sources. Examples of the pre-defined goals established for Account Executive and Recruiter positions for this current program year are shown in Attachment I. These goals, included as examples, were adjusted/revised for “specialty” Account Executive and Recruiter positions. Each month staff report their actual results, those results are audited and a comparison against goals is completed. If staff exceed their monthly goals, an established incentive is paid. The incentive plan put into place at the beginning of this program year, July 1, 2017, remains active and the Account Executives and Recruiters continue to earn incentives under this plan. Account Executive and Recruiters’ goals change each year; in one previous year for example, the goals were based on a team’s achievements. The average incentive earned and paid to Recruiters and Account Executives in calendar year 2017 was \$5,234.76. Graphs showing the amount of incentives earned and paid to each Recruiter and Account Executive in 2016 and in 2017 are shown in Attachment II. Please note that the incentive plan usually changed mid calendar year with the change in our program year which begins July 1st of each year.

No other staff within CareerSource Tampa Bay or CareerSource Pinellas, including other Business Services staff, have the opportunity to earn monthly incentives for work accomplished and/or goals met. In addition, in 2016 when Evergreen Solutions surveyed other workforce boards within the state to quantify the incentives they provided to staff, they reported “WorkNet currently offers employees in the Recruiter and Lead Business Services Recruiter additional financial incentives based on successful performance. Evergreen included questions relating to this incentive pay in its survey process. Of those peers that responded to these questions, none provided an incentive for their recruiter positions in the form of a one-time incentive. However, these same peers acknowledged that these employees’ placement rates are a major factor in the performance review process, which determines the size and eligibility of employee raises.”

Finally, questions have been raised in the last few months as to whether the goals included in these incentive plans resulted in practices that are now being questioned as to their allowability and appropriateness.

Discussion

The CareerSource Tampa Bay and CareerSource Pinellas Committees and Boards should discuss and determine if these monthly incentives for the Account Executive and Recruiter positions within the Business Services Department are justifiable, relevant, reasonable, defensible, and necessary to accomplish the vision of the Workforce Innovation Act – to “improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of businesses and enhance the productivity and competitiveness of the Nation.”

If the Board determines that these monthly incentives for the Account Executive and Recruiter positions within the Business Services Department should continue, then further discussion will be needed on at least the following topics:

- How the incentive plan will be structured going forward (i.e., timing of incentives, difficulty vs. simplicity of plan, etc.),
- The types of goals/objectives that should be established to ensure unintended results are not achieved (what you measure is what you’ll get),
- The balance needed in the actual measurable goals that will motivate but not discourage staff,
- The percentage of total salary or amount that should be available to be earned as incentives, and
- Whether or not there will be a cap on the amount of incentive available to be earned.

If the Board determines that these monthly incentives for the Account Executive and Recruiter positions within the Business Services Department should not continue, then further discussion will be needed on at least the following topics:

- Will these incentives be ended immediately or phased out over a period of time,
- What will take the place of these incentives (such as a salary increase, non-monetary incentives, etc.), if anything, and

Will this put CareerSource Tampa Bay and CareerSource Pinellas at a disadvantage in future recruiting to fill any vacancies in these positions?

Outcome

No action was taken on this matter. The Committee recommends keeping the incentives plan the way it is, for the time being. Staff and HR will work to provide recommendations on possible options to move forward. The Committee will reconvene in the new fiscal year for further discussion on the matter, after a clearer organizational structure has been established.

7. Compensation and Goals for Interim Directors

With the administrative suspension of the CareerSource Pinellas and CareerSource Tampa Bay President and CEO on February 14, 2018 and February 2, 2018 respectively, the Chairs of each Board appointed a current staff Director to serve as Interim Director to oversee the day to day operations of the organization and ensure a continuity of service delivery. As the length of this assignment was undetermined, no adjustment in compensation was authorized at the time of the appointment. The roles and responsibilities of the Interim Director position are significantly more comprehensive and wide-ranging than the roles and responsibilities of the positions these individuals had before their appointment as Interim. See position descriptions under Attachment I. Juditte Dorcy was the Director of the Youth Department (Director of Programs) overseeing the delivery of services to youth and Jennifer Brackney was a Director of Projects responsible for various special projects such as grant writing and drafting the organization’s five year plan. Goals were established previously by the Compensation Committee and then full CareerSource Pinellas Board for the President and CEO – those annual goals are shown in Attachment II. In this current situation, these goals may or may not be reasonable and applicable for the two Interim Directors. The goals set for the Interim Directors for their previous position’s responsibilities are not applicable to this new role as Interim. The salary ranges in the compensation plan for these two Director’s and President and CEO positions follow:

Position Title	Minimum Salary	Mid Salary	Max Salary
Director of Projects	\$ 74,000.00	\$ 96,200.00	\$ 118,400.00
Director of Programs	\$ 79,900.00	\$ 103,900.00	\$ 127,900.00
President and CEO	\$ 140,000.00	\$ 182,000.00	\$ 224,000.00

Both the CareerSource Pinellas and CareerSource Tampa Bay Boards have, in publicly noticed meetings, voted to terminate the President and CEO without cause effective with the latest date of a vote by the Board on March 21, 2018.

Discussion

The CareerSource Tampa Bay and CareerSource Pinellas Committees and Boards should discuss and determine if it is justifiable, reasonable, and defensible to adjust the compensation of both Interim Directors, Jennifer Brackney and Juditte Dorcy and, if so, the method of that increase (salary increase, monthly bonus tied to goals accomplished, end of interim assignment bonus tied to accomplishments, etc.) and the amount of the adjustment. In addition, regardless of the decision on compensation, measureable and meaningful goals should be established for the Interim Directors and a process of evaluation of accomplishments should be designed and implemented.

Attachments

Attachment I – Position descriptions

Attachment II – President and CEO annual goals

Attachment III – Current compensation
Attachment IV – Accomplishments to date

Previous motion, made by Compensation Committee: The Compensation Committee recommends that each Interim Director be compensated an additional one thousand dollars (\$1000) per month, for every month that they have been performing, and continue to perform their Interim duties.

The motion was amended as follows:

1. Increase Jennifer Brackney's base salary by \$5,000, retroactively to February 1, 2018, when she took on the roles of Interim Director. This will put both Brackney and Dorcy on equal salaries.
2. Compensate both Interim Directors an additional one thousand dollars (\$1000) per month, retroactively, beginning February 1st, 2018, for every month that they have been performing, and continue to perform their Interim duties.
3. Change titles to "Interim Executive Director".
4. This action shall be reviewed in 2 months' time.

Motion: Tom Bedwell

Second: Comm. Patricia Gerard

The Executive Committee recommends approval of the amended motion. The motion carried.

8. Approval of Minutes

The minutes of the April 12, 2018 Joint Ad Hoc Committee meeting were presented for approval.

Motion: Michael Mikurak

Second: Tom Bedwell

The minutes were approved as presented. The motion carried.

Other Administrative Matters

There were none.

Information Items

A. Science Center Update

The Science Center is an independent, science and technology center dedicated to delivering innovative, dynamic learning experiences that piques the curiosity of young minds, while laying a foundation for relevance of STEM to their future career options. It is located on seven acres in west Saint Petersburg; the 28,000 square foot space features a planetarium, observatory, and a 600-gallon marine touch tank. Through real-world applications, we expose people of all ages to the possibilities of science and technology to create a better future for young science enthusiasts, the Science Center provides hands on classroom activities and educational camps that explore our environment, robotics and outer space! For adults, the Science Center offers employability skills programs for occupations in high demand and workshops to expand career development in a professional learning environment. In addition to providing valuable scientific and high tech experiences, the Science Center supports local businesses and industry with current workforce needs assessments, customized training and solutions for growth. The Science Center is in the midst of a transformation that will enable us to expand the STEM education and career development offerings in Pinellas County. As we embark on this next chapter, the commitment to provide innovative STEM education continues. Therefore, as we think about the future of the Science Center, we must also consider the financial impact. Background: Effective December 12, 2014, a business loan was obtained for the principal amount of \$700,000 with an interest at a rate of 4.650% per annum based on a year of 360 days. The proceeds of the loan were used to pay-off the remaining principal and interest of the mortgage payable existing at June 30, 2014. The payment terms require 59 regular payments of \$4,511 each and one irregular payment of \$585,710. The final payment will be due on December 10, 2019, and will be for all principal and all accrued interest not

yet paid. In order to move forward strategically and, in an effort to provide pertinent information well in advance of 12/10/2019, we are in the process of reaching out to the financial institution to determine options for the balloon payment.

B. Financial update for period ended March 31, 2018

The grant award to expenditures report was provided in the meeting packet. CareerSource Pinellas has expended approximately 57% of its 2017-2018 budgets

C. Anonymous Letter dated 4/13/2018

An anonymous letter was received by Commissioner Patricia Gerard. This item was included in the packet and has been shared with the Board.

D. Board Members Attendance

A roster was provided at the meeting, detailing Board members attendance from 2016 thru 2018 (current).

E. Board of County Commissioners Workshop of April 17, 2018

- The Pinellas Board of County Commissioners met on April 17, 2018 for a workshop.
- General discussion regarding the workshop ensued: i.e.: current board members to re-submit applications to serve on the board.

Presentation by Board Counsel

Board Counsel (Charles Harris) provided a review on who has the authority to remove Board Members, based on Federal and Florida Statutes. The Executive Committee approved Counsel to work with the County Attorney and County Commissioners, to resolve any differences.

Committee Reports

- Ad Hoc Committee: The Joint Ad Hoc Committee met on April 12th at the Epicenter. The minutes of that meeting were presented for approval at today's meeting. The main purpose was to continue the discussion around the organizational structure, and options to consider when moving forward.
- Audit Committee: We have reached out to the audit firm Powell and Jones and will schedule a review of internal controls and reports during the first part of May. We will schedule an audit committee meeting following the review
- Finance Committee: The Finance Committee met on April 24, 2018. The items discussed were the Budget Mod.# 5, the Financial institution authorized signer, and the Science Center loan update. Those items were presented/ discussed at today's meeting.
- Compensation Committee: At our committee meeting on April 2nd two items were on the agenda for committee consideration: incentives for Business Services staff and compensation and goals for the two Interim Directors. After a lengthy discussion the Compensation Committee determined that the incentives for Business Services staff currently in place should remain until further review is completed and best practices are identified. This will be brought back to the Committee for review and action. The Compensation Committee also decided that it was justifiable, reasonable, and defensible to increase the base salary of both Interim Directors by \$1000/month retroactive to the start of this interim director assignment in consideration of the additional workload and responsibilities both individuals agreed to when they were asked to serve as Interim Director. The Committee is recommending that this increase remain in place until it is reconsidered by the Executive Committee and full Board.
- One Stop Consortium: The date for the next One Stop Committee meeting has been changed to May 17th from original date of May 24th. The change allows us to accommodate the Pinellas County school schedule and the annual presentation of our "Teach for Excellence" 2017-2018 grantee winners. The meeting will be here at the EpiCenter at 9:00 am. A reminder notice will be sent. We would also like to invite the executive committee members to join us at the upcoming meeting if you are available. The Teach for Excellence 2017-2018 STEM/Career Education grant recipients will do a presentation for the committee on the usage and impact of their grant award. Our winners this year include the following schools and projects. Grant awards are up to \$5,000.
 - Largo Middle School – Beat the Flood
 - Carwise Middle School – Carwise Media Production Project

- Bay Point Middle School – 3D Automotive Engineering (sounds very exciting!!)
- Gulf Beaches Elementary School – Laser Creation
- Azalea Middle School – Urban Robotics Project
- Disston Academy 3D Printer Technology and Video Project

Again, the next meeting is scheduled for Thursday, May 17th at 9 am.

-Workforce Solutions: The next meeting will be **Tuesday, May 15** at 2:30 pm at the EpiCenter.

-Science Center Committee: The last Science Center Committee meeting was cancelled. The next meeting will be **Friday, May 25** at 11 am at the Science Center in the JWB auditorium. Some highlights from this upcoming meeting are:

Let's Pave the Way - Science Center Parking Lot Beautification: Through a capitalization grant award from the Juvenile Welfare Board, funding is available to repave the parking lot and restripe lines. The \$38,000 renovation also includes the non-paved parking lot inside the back fence, used by staff and vendors. Work starts in May and is to be completed prior to the start of Summer Camp 2018.

Summer Camp 2018: Summer Camp outreach has been underway! Youth reservations to date are just over 100 with roughly 1/3 of registered youth using before and after care. We hope to have about 600 attendees again this year. Summer camp 2018 starts on May 29th and will run thru August 10th. A great menu of camp activities and events are on deck for the summer. Any interested parents are invited to go online to register <http://www.sciencecenterofpinellas.org/youth/>

Interim Executive Director's Report

- The DEO/USDOL provided a "soft exit" update of their on-site monitoring on April 20, 2018. Some of the recommendations were related to: tightening internal controls, re-issuing the One-Stop Operator procurement, adhering to Sunshine Provision by posting minutes and agendas online. It was also recommended to conduct additional training of board members, to review their roles, responsibilities in the governance of the organization.

Public Comments

None

Adjournment

The meeting was adjourned at 12:30 P.M.