

**CareerSource Pinellas
Executive Committee Meeting Minutes
“Special Meeting”**

Date: February 28, 2018 at 11:00am

Location: 13805 58th Street North

Call to Order

Chairman Jack 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

Tom Bedwell, Jack Geller, Karla Leavelle, Michael Mikurak, Lenne Nicklaus, William Price, Commissioner Kenneth Welch (in lieu of Patricia Gerard).

Committee Members not in attendance

Dr. Bob Arnold (phone), Sandy Ho.

Staff Present

Edward Peachey, Kimberly Williams, Jennifer Brackney, Juditte Dorcy, Luna Clarke, Joseph Calhoun.

Board Counsel: Richard Hanchett (in lieu of Charles Harris)

Guest(s): Whitney Creech - Office of Comm. Gerard
Marion Hale - Johnson Pope
Jewel White – Pinellas County Attorney’s Office
Ken Jones- Hillsborough County BoCC liaison
Richard Peck – (CSTB Board member)
Dee Harrold
Elliot Stern (Public)
Michael Short - State Attorney’s Office
Mr. Tom Rask (Public)
Mr. Kim Marston (Board member)
Various members of the media

Chairman Geller addressed the various anonymous communications that have been received. Staff has been assured that their job is not in jeopardy. The Chairman encourages authors to come forward.

Action/ Discussion Items

1. Action Item 1- Mr. Peachey’s Employment

The floor was open for discussion on Mr. Peachey’s employment.

Motion made by Tom Bedwell: Keep Mr. Peachey on administrative leave until a settlement can be paid, reflecting the same decision that was taken by the CS Tampa Bay Board. This would include 5 months’ pay and employee benefits. Then terminate without cause.

Second: Lenne Nicklaus

Public Comments

Mrs. Marion Hale (Edward Peachey's counsel) addressed the Board members, and made the following comments:

- Asks the Executive Committee not to fire Mr. Peachey, because there are no grounds to relieve him of his employment.
- The job of the committee is to "separate fact from fiction"
- Per the Ad hoc meeting, Board Counsel has reported back to the committee:
 - There may have been coding errors, although this is still not proven.
 - The coding decision was made by outside vendors, and Mr. Peachey played no part in that.
 - No tax payers money was misspent. Less than 1% of money received by CSPIN is based on placement, despite what has been reported by the press
- CareerSource has undergone several audits during the last 10 years by the State of FL. If the State objected to the placement practices, presumably this would have raised a red flag during audits. No red flags/objections were raised in those years.
- On the issue with the Pinellas County Sheriff's department:
 - It is now known that the Sheriff signed a contract with CareerSource and the Sheriff's department authorized the hiring of those employees. The Sheriff's Department also notified CareerSource when those employees came to work, how many hours they worked, asked for the money [related to OJT/PWE] and accepted the money, which has not yet been repaid.
 - If the Sheriff really thought he had been scammed, his deputies would be at the door to make arrests. That did not happen. There were no forgeries and no scam.
 - References to various misinformation printed by the newspapers regarding Mr. Peachey's salary, incentives claimed to have been received on placements, forgeries and scams alleged by the Sheriff's office.
 - Every member of the Tampa Executive committee members who met on 2/26, with the exception of Commissioner Murman, concluded that there was no basis for terminating Mr. Peachey for cause.
 - Quotes Board Counsel saying "I do not believe there was anything illegal done". Also quotes Commissioner Murman saying "I do not believe it was legal". Poses the question on whether or not the Board would believe its own Counsel or the Commissioner with no background in law.
 - States that Board members "do not answer to the County Commissioners", but have a responsibility to the job-seekers and employers.
 - Allegations of wrongdoing have come from innuendos, gossip and anonymous letters.
 - Mr. Peachey is the victim of a vendetta and nothing has been proven to be true against him

Geller: Referencing to Ms. Hale's letter from 2/22/2018, stating that "*Mr. Peachey was not permitted to speak*"—Mr. Peachey attended that meeting and did not ask for permission to speak, nor was he told in advance that he could not speak. Who refused to allow him to speak?

Hale: Mr. Peachey was never questioned by the Ad Hoc Committee, or by Board Counsel. Staff was not asked on the status of reporting placements, and neither was Peachey. The public comments section comes after any decision would be made, and [Ms. Hale] would not think that he'd interrupt a meeting.

Mr. Tom Rask (member of the public) asked for permission to comment before a decision was made. Permission was granted by Chair.

- Mr. Rask reinforces the need for more evidence against Mr. Peachey other than allegations and anonymous communications. Comments that Commissioner Gerard received an anonymous letter in early February which was not shared with other Board members, or Board Counsel. Mr. Rask provided a copy of said letter, which members present did not recognize.

Welch: Several anonymous letters are occasionally received by the County Commission. In the future, possibly discuss a protocol on how to forward such letters to the rest of the Board, without impeding Sunshine Law.

At the request of board member Mike Mikurak, **Mr. Hanchett** addressed the comments made by Mrs. Hale:

- regarding the coding issue: contact was made with DEO on whether it would be appropriate to recode placements. DEO advised to not alter placement coding practices, at this time. The matter is being investigated further by the DEO, as a matter of potential criminal activity. Counsel is seeking more clarification from DEO regarding their 2/26/2018 letter.
- regarding the Sheriff's matter: signed blank forms were provided by the Sheriff ahead of time –this was also common practice with other employers. When an employee was going to be placed, the details of that form would then be filled out by an employee, and then sent back to the employer for approval. Emails were obtained, transmitting the forms for approval; employees have also been interviewed about this practice. Counsel still has not been able to speak to the former employee who had a direct relationship with the Sheriff's office.

Board Discussion

Commissioner Welch disclosed to have previously spoken with Jack Geller and Tom Bedwell on issues surrounding CSPIN, such as job placements and the possibility of reaching a settlement with Mr. Peachey. Those conversations took place before the Commissioner was aware that he would be filling in today for Commissioner Gerard, who is absent for medical reasons.

Welch: Does not support the current motion. Seeks clarification on the status of Mr. Peachey's employment contract, the significance to CSPIN for firing Mr. Peachey with or without cause. Employee dispute settlements are limited to six weeks' pay—could this possibly render void the decision made by the Tampa Executive committee? Counsel states that it is possible.

-Regarding Ms. Hale's previous statement: "politicians are people too" and shouldn't be demonized for their statements. The organization's credibility is on the line. Imperative for the board to make a clear statement and terminate relationship with Peachey with no additional compensation.

- Several reasons for this recommendation: multiples ongoing investigations at the Federal and State level; the grossly overstated job placements, nepotism and improper workplace conduct, actions taken by Peachey without the Board's approval and consent.

-Believes that Peachey and his Counsel are using intimidation tactics against Board members.

-Public request was made by Mr. Peachey's attorney for Welch's county commission's office account activities, going back 10 years. A request was also made to St Petersburg College for his employment records, during his time as an associate VP. Neither issue is related to the events surrounding CareerSource, Mr. Welch believes that it's a mere intimidation tactic.

-The County Commission's involvement is inevitable, since it is the county who appoints the Board members.

Bedwell: Board Counsel previously told Board members that Mr. Peachey's cooperation would be valuable during the investigation process. For this reason, agreeing to a settlement may be the best option in moving forward and get back on track with the real purpose of the organization, which is to serve the public. A settlement would ensure Peachey's cooperation and release from litigation.

Mikurak: Though we do not know all the details, public perception has been impacted and will difficult to change, no matter the outcome. Concerned that [the committee] might make a decision [on settlement/ severance] that will later have to be pulled back, without having all the facts.

Hanchett: With regards to how much money is to be paid out to a terminated employee, there is an issue with respects to whether CSPIN can be considered a government entity under FL statutes. There is also an issue whether the payment would be a "severance" or "settlement of an employment claim". In each case, determine what kinds of funds would be applicable for payout.

Leavelle: This board answers to the public and the employers. Has concerns about credibility/perception issues if Mr. Peachey continues in his role with the company. Would be in favor of some sort of settlement/ severance, because litigation would be a lot more expensive.

-States that she will not be intimidated by either Ms. Hale or the County Commissioners. It is true that the Commissioners appoint the Board members, if they do not like the way she votes, they have the right to not renew her appointment.

Price: DEO letter doesn't address the specific question asked by Chairman Geller, regarding Section 134.C in the WIOA Act, about "services provided". Would like a definite answer from DEO about how those placements should have been coded.

-On the motion itself, agrees that we need to protect public funds, but also notes that litigation would be a more costly alternative than settling. It also ensures Peachey's cooperation in ongoing investigations.

Welch: Comments were not made to intimidate but simply to clarify a previous comment by Ms. Hale. The county has not been heavy-handed in the past, and the recent removal of Mr. Green was due to his disallowing Commissioner Gerard to speak.

-Neither the State nor the DEO, it has not been clarified that Mr. Peachey is needed to conduct those investigations.

-A possible compromise would be to terminate Mr. Peachey, and delay a decision on any settlement or severance, pending the outcomes of those investigations.

Addressing Ms. Hale:

Welch:-*Why was a letter issued on 2/23/2018 asking for all documents related to [Welch's] office account, going back 10 years? How does that relate to the matter at hand?*

Hale: *Those issues are not related and [Welch] should not try to make a connection. Client has a constitutional right to seek public records and should not be intimidated from trying to do so.*

Welch: *Not disputing [Peachey's] rights. So those [requests] were made "just because you could", with no other motives?*

Hale: *Alleges that Welch took campaign funds from people and did not spend them on his campaign. Claims that Welch remained uncontested by another candidate, and did not return those unused funds to donors nor donate them to charity, instead putting them in a campaign fund.*

Welch: *Denies allegations. What was the reason for requesting for SPC personnel files, from 2006 to 2010?*

Hale: *Reinstates that client has constitutional right to make public records requests.*

Nicklaus: (Addressing the motion) a decision must be made carefully, to avoid changing it in the future. Though Mr. Peachey is innocent until proven guilty, the current public perception cannot be denied.

Geller: It is his opinion that Mr. Peachey's actions created a toxic workplace. His relationship with Ms. Loeun created discomfort and low morale for employees. It is important that the organization runs efficiently and avoid any perception of impropriety. In favor of termination without pay, even if it opens the door for litigation. Proposes to vote separately on termination and severance, thus making two separate decisions.

Bedwell (modified motion): Keep Mr. Peachey on administrative leave until a settlement can be paid, reflecting the same decision that was taken by the CS Tampa Bay Board. This would include 5 months' pay and employee benefits. In exchange, Mr. Peachey would agree to not sue CareerSource Pinellas or any of its board members, and would also cooperate with investigations. Then terminate without cause. Subject to not being in violation of any Federal and State law.

The motion dies for lack of a second.

- 1) **Welch: Makes a motion** to terminate without cause. Recommends separating this motion with the issue of settlement.

Second: Mike Mikurak
The motion carried with 1 dissent vote from Tom Bedwell.

- 2) **Welch:** Motions to postpone any settlement discussion until all State and Federal investigations have been completed.
The motion dies for lack of a second.
- 3) **Bedwell:** Motions to pay Mr. Peachey a settlement equal to what he received in CS Tampa Bay: 5 months' pay + 5 months' employee benefits. In return for release of all claims by Mr. Peachey. Subject to compliance with any Federal and State law.
Second: Mikurak

Discussion:

Welch: Understands that Ms. Loeun was recently fired without cause and was not paid any severance. Believes that there should be equity, and no exception should be made for the CEO, to avoid any perception that Mr. Peachey is getting special treatment.

Leavelle: The Board does not make decisions about employed staff. Regarding to Mr. Peachey, the Board is also concerned about the possibility of litigation.

Price: Believes that the two regions (Tampa and Pinellas) as co-employers of Mr. Peachey should vote similarly on the settlement issue.

Geller: The decision to terminate Ms. Loeun was taken jointly by the two interim directors. Does not believe that the two boards' decisions have to mirror each other, on the subject of settlement.

The motion carries 5-2, with dissenting votes from Chairman Geller and Commissioner Welch.

Public Comments

Members of the public were given an opportunity to ask questions and make comments:

Tom Rask: Believes that the settlement motion could be problematic, since it is subject to being compliant with State and Federal Laws.

Kim Marston: Recommends bringing the settlement motion in front of the full Board of Directors for a vote. Will forward a formal letter within the 5-days allotted for consent by Board members.

-Recommends conducting a forensics audit into the placement practices. Contacted Hector Collazo Jr. (Inspector General, Pinellas County Clerk of Circuit Court), who would be willing to conduct such audit, if directed by the Pinellas County Commission.

-References to Chapter 445 of the FL State Statute. Recommends that the Pinellas County Commission revises the 2016-2020 Local Workforce Service Plan between CSPIN and the County, to designate the Board of County Commissioners (BOCC) as the designated Administrative Entity, but retain CSPIN as the sub-grant recipient. This would allow the BoCC to assign or remove an Executive Director or Board Counsel. It also allows the BOCC to remove a Board Chairman, without removing that individual from the Board entirely.

Adjournment

The meeting was adjourned at approximately 12:06 PM.