

**CareerSource Pinellas
Minutes of Executive Committee Meeting
08/01/2018**

Date: August 01, 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

David Fetkenher, Jack Geller, Michael Gliner, Karla Leavelle (via phone), Russell Leggette, Michael Meidel, Scott Wagman.

Committee Members not in attendance

Comm. Patricia Gerard, Barclay Harless, John Howell.

Staff Present

Jennifer Brackney, Terri Casey, Don Shepherd, Sheila Doyle, Luna Clarke, Linsey Stiglic, Joseph Calhoun.

Board Counsel: Kelly Ruoff (in lieu of Charles Harris) – Trenam Law

Guests:

Whitney Creech - Office of Comm. Gerard

Zachary Sampson- Tampa Bay Times

Chair's Report

- The Chairman report was distributed as the Newsletter handout.

Action Items

1. Approval of Minutes

The minutes of the June 6, 2018 Executive Committee meeting were presented for approval.

Motion: David Fetkenher

Second: Michael Gliner

The minutes were approved as presented. The motion carried unanimously.

2. EMSI Renewal Agreement

EMSI is a labor market data software available to professionals in higher education, economic development, workforce investment, talent acquisition, and site selection. Their data, which covers more than 99% of the workforce, is compiled from a wide variety of government sources, job postings, and online profiles and resumes. This information is then used to understand regional, economic and workforce activities in a particular region. CareerSource Pinellas uses EMSI LMI data to assist with regional planning, to assist with defining targeted industries and occupations, and to align programs with regional needs and provide technical assistance when requested to local partners such as EDC, SPC and others. The attached renewal agreement for the 2018-2019 Program Year is being presented for approval. This will allow CSPIN to continue using EMSI's labor market data, in order to better serve our customers. The PY2017-2018 renewal was at a cost of \$12,000.

Agreement period: July 1, 2018 – June 30, 2019

Renewal Cost: \$ 12,000

Motion: Michael Meidel

Second: Michael Gliner

The Executive Committee recommends approval to renew the EMSI contract with CareerSource Pinellas for the 2018-2019 Program Year. The motion carried unanimously.

3. Request for Bids for Finance & Accounting Services

Background: CareerSource Tampa Bay and CareerSource Pinellas have utilized a shared services model over the past several years. Recently, a decision was made to no longer participate in a shared services model with each organization having their own professional and support staff. As a result, CareerSource Pinellas requested written bids from qualified firms and individuals with the expertise to provide Finance & Accounting Services. The positions needed to be filled are: Chief Financial Officer and Senior Accountant. It is anticipated the selected candidates will work 35-40 hours per week during the contract term.

Scope of Work: Brief description of the work, for either/both positions, includes:

- Assist with the transition of work from a shared services model to an independent model
- Prepare financial reports for internal and external stakeholders. Perform grant-related post-award functions and fulfill requests for cost reports, budgets, projections, analysis, reconciliations and refunds. Communicate with fiscal contacts at funding source for problem resolution and information gathering
- Complete budget and expense analysis of contracts
- Perform grant close-out functions required by grants/contracts
- Review general ledger transactions to ensure accuracy; Review monthly revenue and corresponding receivable/payable for cost reimbursement contracts as assigned. Prepare adjustments and journal entries
- Assist in the monitoring and implementation of a cost allocation plan. Assist in the process for gathering and updating information to update cost allocations

CFO candidate skills/experience preferred:

- CPA --Experience leading in a non-profit environment
- Knowledge of cost allocation accounting
- Experience in grant cost accounting
- Experience in Workforce & Economic Opportunity (workforce development)

Senior accountant candidate skills/experience preferred:

- Knowledge of cost allocation accounting
- Experience in grant cost accounting
- Experience in Workforce & Economic Opportunity (workforce development)

Bids Included:

- Name of the organization and contact information for individual representing the organization
- Copy of the organization's legal status from the Florida Division of Corporations
- A brief statement of each individual candidate's experience, particularly as it relates to the preferred skills/experience listed above
- Proposed cost for services
- Candidate resumes: candidate identifying information may be redacted
- A list of similar work performed, by the candidates, during the last three years and for whom it was performed
- Three professional references for each candidate.

The following companies submitted bids:

<u>Company Proposals</u>	<u>Candidate</u>	<u>Total Score (Max 500pts)</u>	<u>Rate/Hour</u>
Robert Half Accounting	No candidate	N/A	N/A
Nperspective	Candidate #1 (SG) - CFO	355	\$150
Steven Douglas Associates	Candidate #2 (DC) – CFO	424	\$120
Steven Douglas Associates	Candidate #3 (LB) – Senior Accountant/ Auditor	210	\$120
Steven Douglas Associates	Candidate #4 (PB) – CFO	Not scored. Available part-time	N/A

Vaco	Candidate #5 (WL) – Senior Accountant	360	\$98
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The proposals were all received by the extended deadline of Noon on Friday, July 27, 2018. The proposal deadline was extended to provide time for additional submissions. The proposals and resumes/summary of qualifications for each candidate were reviewed and scored by a team including four staff members and the Chair of the Audit Committee/ Treasurer. A scoring summary is attached.

Motion: Scott Wagman
 Second: Russell Legette

The Executive Committee recommends entering into a short-term agreement with Steven Douglas Associates for CFO (candidate # 2) consulting services for a maximum of 320 hours and for a Senior Accountant (Candidate # 3) with strong auditing background for a maximum of 80 hours. Recommend entering into a short-term agreement with Vaco for Senior Accountant services (Candidate #5) for a maximum of 240 hours. The CFO and Senior Accountant with strong auditing background will be retained during the first week of August. The CFO will conduct an analysis of the current situation and outline a plan. The Senior Accountant with strong auditing background will conduct a process review relating to contracts, procurement and internal monitoring and develop an implementation plan. The Senior Accountant will join the team, as determined by the CFO. The motion carried unanimously.

4. Indemnification Agreement & Board Counsel Update

- Board Counsel provided a status update on pending litigations matters against CareerSource Pinellas and CareerSource Tampa Bay.
 1. Kristina Parisi vs. CareerSource Pinellas: Filed with the EEOC - Claims of discrimination and retaliation, based on an objection to a transgender person using a certain restroom.
 2. Herman Braxton vs CareerSource Tampa Bay: Claims of discrimination filed with EEOC. Allegations of discrimination based on age, race and disability.
 3. Brandon Riley vs CareerSource Pinellas: Pending lawsuit. Plaintiff claims to have been heinously terminated.
 4. Sonia Baruq vs. CareerSource Tampa Bay: Lawsuit regarding an auto-accident, which occurred in 2013, involving a Tampa Bay staff and another driver.
- Board Counsel also discussed the proposed “draft” indemnification agreement between CSPIN and CSTB as the two regions work towards transition. This draft was created using the same indemnification language from the previous “Management Services Agreement” that was approved by both Board of Directors, in 2011. As previously discussed, the signed copy of this Agreement was not located. However, Counsel still retains a copy of the original document that was presented for approval, and has used the same clause to write this “Indemnification Agreement”, being presented at today’s meeting.

Motion: Scott Wagman
 Second: Michael Gliner

The Executive Committee recommends approval of the Indemnification Agreement. The motion carried unanimously.

5. Program Year 2017 – 2018 Budget Modification No. 6

Total budgeted revenue has increased from \$16,252,262 to \$16,340,603 for an overall increase of \$88,341. This is due to the following:

Workforce Investment Act Programs:

- Increase in WIOA AD of \$7,860
- Increase in WIOA Youth of \$5,881
- Increase in WIOA DW of \$10,840

Employment Services Programs:

- Increase in Veteran’s programs of \$63,760

Motion: Michael Meidel

Second: Michael Gliner

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

6. Program Year 2018 – 2019 Budget Modification No. 1

Total budgeted revenue has increased from \$11,564,332 to \$12,331,578 for an overall increase of \$767,246. This is due to the following:

Workforce Investment Act Programs:

Increase in WIOA Adult of \$159,974

Increase in WIOA Youth of \$259,028

Increase in WIOA DW of \$118,185

New award for WIOA Supplemental of \$148,624

Increase in WIOA Community Based Sector Strategies of \$36,210

Increase in Sector Strategies Career Ready of \$119,699

Increase in Sector Strategies IT Training of \$85,031

Increase in Sector Strategies Construction of \$21,376

Increase in Hurricane Maria Outreach of \$10,844

Decrease in Governor's Challenge of \$333,334

Employment Services Programs:

Increase in TAA of \$62,925

Increase in Wagner Peyser of \$4,763

Direct Grants and Special Programs:

Increase in NEG Hurricane Maria evacuees of \$50,000

Increase in USDOL Youthbuild of \$24,728

Decrease in JWB Youth Innovators of \$807

Motion: Michael Meidel

Second: Michael Gliner

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

7. Audit Engagement Letter

Enclosed is the Audit Engagement Letter with Powell & Jones, CPAs. The Engagement Letter would serve as an agreement regarding the audit work to be done and related particulars.

Motion: Scott Wagman

Second: Michael Gliner

The Executive Committee recommends approval to enter into an agreement with Powell & Jones, CPAs to conduct independent audit services for the fiscal year ended June 30, 2018 This motion carried.

8. Business Services Incentive Pay Review

The Business Services department of CareerSource Pinellas established an incentive program for its employee recruiters and account executives beginning July 1, 2016. Each participating employee in this program was given an incentive grid relative to his or her position with an attached copy of the guidelines for the program. The incentive grid is a chart that gives the employees a name and description of the areas in which their performance will be measured, the overall weight given to each area, and both the maximum monthly and annual amount that they are able to earn by achieving their established goals. Incentives are generally related to success in job placements with participating employers. In the original program employees could earn up to \$1,000 per month with a maximum of \$12,000 per year. Monthly payments were calculated based upon the percentages achieved in various established performance categories which ranged from four to six depending on job type. However, if an employee failed to achieve 70 percent of his or her overall monthly goal, he or she was not eligible for any incentive pay for the month, and the performance report indicating the subpar performance would serve

as official documentation of an incident. Effective August 1, 2017, there were changes to the guidelines governing this program. As a part of the changes, there was an increase in the amount that could be earned, rising from \$1,000 to \$1,400 per month. In addition, there was an update in the scaling system. The Audit firm of Powell & Jones conducted an audit of the internal controls in the month of June and found that for the thirteen months of this program, there were 48 instances or approximately 65 percent of those who did not achieve the 70 percent performance level, where their performance was adjusted to qualify for the incentive payment. However, from the time that there was a revision to the guidelines any increase in pay was documented on the summary report given to the Director of Business Services by a brief explanation for its justification.

There was discussion surrounding the need for conducting this review, and whether or not to engage with the Powell & Jones firm in order to complete it. It was recommended that the Pinellas County Inspector General (Clerk of the Court) be contacted regarding the review of the Business Services incentives. Staff would need to inquire about estimated cost to complete this review.

Recommendation: Approval to engage Powell & Jones CPAs to review the incentives given during the 13-month period, to Business Services Staff. The review would include verifying whether the listed statistics for the incentives paid could be traced to outside verifiable data. It would also compare the total compensation paid to each employee to the established pay ranges for their position classifications. The total estimated cost for this review is between \$5000 and \$8000. **This motion was tabled until a quote is received from the Pinellas County Inspector General (Clerk of the Court), regarding how much it would cost for their office to conduct a review of the Business Services Incentives.**

Motion: Scott Wagman
Second: Russell Legette

The Executive Committee recommends tabling Item 8 (Business Services Incentive Pay Review) until a determination and/or quote is received from the Pinellas County Inspector General (Clerk of the Court), regarding whether to engage in an expanded review and how much it would cost for their office to conduct a review of the Business Services Incentives. This motion carried.

Other Administrative Matters

During the "Open Discussion" segment, the Executive Committee recommended to schedule their meetings on an as-needed basis, every other month. The majority of the decision-making items will be voted on at the full board meetings.

Motion: Michael Gliner
Second: Scott Wagman
The motion carried unanimously.

Information Items

1. Annual 401(k) Plan Audit

WorkNet Pinellas, Inc. 401k Plan is required to have an annual audit by an Independent CPA firm. For the calendar year 2017 a full scope audit will be conducted by Powell & Jones, CPAs for a fee of \$7500. The annual audit is to be completed and filed by October 15, 2018.

2. Financial statement audit for FYE 6/30/18

Audit Committee is scheduled to approve the Engagement letter with Powell and Jones, CPAs to conduct independent audit services for the Fiscal Year ended June 30, 2018. Proposed schedule is to start fieldwork once the letter has been approved and complete audit and finalize financials prior to 9/1/2018

3. Financial Summary for Period ended June 30, 2018 (Attachment 7)

The grant award expenditures report was provided in the meeting packet. CareerSource Pinellas has expended approximately 80% of its 2017-2018 budgets.

Committee Reports

Audit Committee

The Audit Committee approved the recommendation to enter into an agreement with Powell & Jones to conduct a financial statement audit for the Fiscal year ended June 30, 2018. The next meeting is scheduled for August 28, 2018

Finance Committee

The Finance Committee met on July 24, 2018. The items discussed the 17-18 Budget Mod 6 and the 18-19 Budget Mod 1. Additionally, the Financial Summary for 6/30/18 was discussed. Those items were also included in today's meeting.

Interim Executive Director's Report

- Shared staff who will be continuing with CSPIN, have all received continuation of employment letter.
- Several leadership positions will be posted for CSPIN, including the Director of Economic Development/Business Services Director and the Senior Accountant position.
- CSTB has the option to keep their insurance coverage through Cigna, under the current WorkNet Plan, until December 2018. However, as we move forward, CSTB is exploring options for creating their own healthcare plan, starting on September 1, 2018.
- The new CSPIN website will be launching soon, with a new look.

Open Discussion

- It was suggested that the Executive Committee meets on the same days as the full Board meetings are scheduled, to avoid duplication of efforts and to get the Board more involved in the decision-making of the organization.
- It was also suggested that the consent agenda 5-day format would only be used to approve items needing immediate Board approval. All other items would be presented at the next Board meeting.
- The composition of regional workforce boards is federally mandated, to include a certain representation percentage from categories such as: Business, Local labor and CBO's, Education, Government and Economic Development. It is possible to have a functional Board that meets the percentage requirements with 23 members, given that all category-criteria are met.
- Important reminder that board participation is strongly encouraged. Per our by-laws, three (3) consecutive absences from Board and/or Committee meetings, shall constitute as a de facto resignation from the Board (CSPIN By-Laws, Article IV)
- CareerSource Pinellas will need to get back on track, as far as performance. It is imperative that the mission of the company remain to provide excellent service to the customers it serves.
- The public image of the company needs to be re-shaped, following the recent events that have come to light. There is an opportunity to address the Marketing and Branding of CareerSource Pinellas.
- The organization offers a variety of programs, as a "one-stop center" initiative that was a deliberate effort from the State. These services were offered together to be made more accessible to job-seekers.

Adjournment

The meeting adjourned at 12:13 pm.