



Finance Committee Meeting Agenda

Tuesday, April 22, 2014

8:00 a.m. – 9:30 a.m.

CareerSource Central Florida Administration Office

707 Mendham Blvd., Suite 250, Orlando, FL 32825

Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848

Strategic Goals developed by the Board:

- CareerSource Central Florida will become business focused in all efforts
- CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)
- CareerSource Central Florida will become the backbone organization for workforce development in Central Florida

Welcome & Chair's RemarksMelanie Cornell

- Roll Call/Establishment of Quorum
- Public Comment

Approval of Minutes from Previous Meeting (2/3/14)

Information/Discussion Items

1. Budget to Actual 3rd QuarterLeo Alvarez
2. Preliminary 14-15 BudgetLeo Alvarez
3. Budget Workshop with Finance & Program CommitteesLeo Alvarez
(Proposed dates: last week in May)
4. Issue RFQ's for Banking Services and Retirement ProgramLeo Alvarez

Action Item

1. Approve Renewal of Employee Benefit Plans
2. Facilities Update: Approval to Re-negotiate Leases
Locations:
 - 1563 Florida Mall Ave, Orlando, FL 32809
 - 1392 East Vine St., Orlando, FL 34744
 - 609 Powers Drive, Suite 340, Orlando, FL 32818
3. Revision to Procurement Approval Threshold

Chairman's Closing RemarksMelanie Cornell

Upcoming Meetings:

- CareerSource Central Florida Board of Directors: Tuesday, April 29, 2014
CareerSource Central Florida Admin Office, 707 Mendham Blvd., Suite 250, Orlando, FL 32825
- Finance Committee Meeting: Tuesday, June 3, 2014, 9:00am
CareerSource Central Florida Admin Office, 707 Mendham Blvd., Suite 250, Orlando, FL 32825

DRAFT

Joint Meeting of the Audit and Finance Committees

CareerSource Central Florida Office

707 Mendham Blvd., Suite 250

Orlando, FL 32825

Monday, February 3, 2014

9:00 a.m.

MINUTES

MEMBERS PRESENT: Bill Merck, Eric Ushkowitz, Mike Kurek (via phone), Barbara Lehman, Taylor Pancake (via phone), Chuck Todd (via phone), Joe Pennisi (via phone), Richard Sweat and Mark Wylie

MEMBERS ABSENT: Art Bisner, Melanie Cornell, Jim Moye and Joseph Sarnovsky

STAFF PRESENT: Kevin Neal, Leo Alvarez, Nilda Blanco and Kaz Kasal

GUESTS PRESENT: Jim Burdick, Dan Gougherty / Cherry, Bekaert

WELCOME & CHAIRS' REMARKS

Introductions

Mr. Ushkowitz and Mr. Merck called the meeting to order at 9:00am and welcomed those in attendance.

Roll Call/Establishment of Quorum

Ms. Kasal commenced with roll call and reported there was a quorum present.

Public Comment

Mr. Steve Farmer and Mr. Corey McMeeking from Brown & Brown, Inc. introduced themselves. They asked if the Finance Committee would defer from making a decision at their meeting today on the selection of broker services. During the evaluation process, a third phase was added and they indicated they did not understand the actual criteria for this phase – the process was not clear. Mr. Merck thanked Mr. Farmer and Mr. Meeking for their comments and that the committee would take their input into consideration when they discuss broker services later in the meeting.

Approval of the Minutes

After review, Barbara Lehman made a motion to approve the minutes from the 9/19/13 Audit Committee meeting. Mr. Sweat seconded, motion passed.

After review, Mr. Wylie made a motion to approve the minutes from the 10/15/13 Finance Committee meeting. Mr. Taylor seconded, motion passed.

PRESENTATION FROM CHERRY, BEKAERT

Mr. Burdick and Mr. Gougherty from Cherry, Bekaert greeted the committee. Mr. Burdick, the lead on this audit, provided a review of the draft audit results and required communications. Based on their audit for the

2012-2013 fiscal year, ending on 6/30/13, Mr. Burdick stated that the organization's financial statements are fairly stated and they expecting to issue an unmodified opinion, which is the highest level a CPA is allowed to give. One material weakness in internal control over financial reporting was reported as a result of audit entries – of the six entries, four were related to the previous year's look-back. No findings on internal control over compliance were reported. There is good control over grant programs and compliance – 80% of the programs were tested; no instances of non-compliance with laws, regulations, contracts or grants were reported. An unmodified opinion on compliance with grant requirements is expected to be expressed. Mr. Burdick also reviewed statements of financial position and activities. Mr. Ushkowitz thanked Mr. Burdick for the information and review the audit results.

Mr. Alvarez stated that the Department of Economic Opportunity (DEO) is changing the way they perform their monitoring – on a quarterly basis they will monitor online via a portal with selected items for testing and a Q&A (questions and answers) session if they have any issues. On an annual basis they will monitor on-site. Mr. Alvarez referred to the DEO report in the meeting packet entitled “2013-14 Financial Compliance Monitoring Report” in the meeting packet – this monitoring report covers the first quarter of this program year: 7/1/13 thru 9/30/13. There were no findings, areas of non-compliance, or observations identified on the report.

INFORMATION ITEMS

WIA Youth – Revised Mid-Year Budget

Mr. Alvarez referenced “WIA Youth – Revised Mid-Year Budget. CareerSource Central Florida has changed the way it delivers its youth services – going from just a summer program to year-round youth services. A Youth Committee was created over a year ago and \$5.3M is currently obligated in 6 contracts. The challenge is that although funds are obligated, the services providers are behind on expending the funds. This is primarily due to the time it takes to start-up the programs before services can be delivered. Staff is recommending to carry forward 13-14 youth funds to next year program year (which expire 6/30/15), plus \$1M of the 12-13 funding for a 6 month extension - staff is currently in discussion with the state board, CareerSource Florida for this 6 month extension. Ms. Blanco noted that especially in June, July and August expenditures will increase with the bulk going to wages to youth in work experience activities.

Mid-Year Budget Variance Report

Mr. Alvarez referenced the Budget vs. Actual Report as of December 2013 in the meeting packet and reviewed expenditures per line item. Mr. Ushkowitz asked if additional funds were provided for the rebranding. Ms. Nabors replied that the state provided an additional \$75,000

WCF's Compensation and Classification Study

Ms. Nabors stated that since an overall compensation study has not been done for 5-6 years, they decided it was time to do another study. Ms. Sherry Voss, HR Director, greeted the committee and stated that HR Compensation Consultants (HRCC) was contracted to conduct a compensation study comparing to similar organizations and determining if we were competitively in line with like organizations and are in compliance with applicable laws, regulations and procedures. Organizations included in the study comparison: Orange, Osceola and Seminole county governments, City of Orlando, Orange County Public Schools, and regional workforce boards Jacksonville, Hillsborough and Broward. The compensation study began in July 2013. Employees completed a position questionnaire which supervisors reviewed. HRCC conducted a comprehensive review of the positions to include employee and department head input and interviews about

departmental operations. Based on the analysis, HRCC slotted jobs into the following roles: associate, technician, professional and leader. Preliminary results: changes in job titles of less than 30, FLSA status of less than 10 employees, updated job descriptions and starting pay rates with some financial impact of less than \$20,000. In February 2014, the new job descriptions will be signed by staff.

ACTION ITEMS

Procurements:

Payroll Services RFQ

Mr. Alvarez stated that, as recommended by the Finance Committee, an RFQ (request for qualifications) for payroll services was issued on 11/25/13 and 5 proposals were received. A review team evaluated and scored the proposals based on experience and capability, cost and value added services. In order to make a more informed decision, the top two ranked respondents were invited to a 2nd round to present with a focus primarily on payroll process and cost structure, integration with our current accounting and value added services. Based on this 2nd round, the review team unanimously ranked ADP over Paychex, preferring ADP's customer service approach and integration of their system to ours. Staff is recommending ADP as the new third party administrator. Mr. Pancake asked about termination options – does this include terminating at-will? Mr. Alvarez replied that all contracts include language that CareerSource Central Florida can make an early termination due to potential funding issues. ADP does not require a contract, but we need a contract to lock in rates and this will be reviewed on an annual basis.

After further review and discussion, Mr. Wylie made a motion to move forward with contract with ADP. Mr. Sweat seconded, motion passed.

Broker Services RFQ

Mr. Alvarez stated that the evaluation for broker services followed the same extensive process as with the evaluation for payroll services. Six proposals were received and the review team evaluated and scored the proposals based on experience and qualifications, past performance and references, cost and value added services. The top 3 ranked respondents were asked to provide a presentation and further discussion on their services, benefit plan options and potential cost cutting measures. The review team narrowed it down to the top two: Willis and Brown & Brown. Mr. Alvarez asked if the Finance Committee could defer the action item for selection of broker services to the Executive Committee for approval – this will allow additional time for staff to re-review the top two respondents and their reference checks. The Finance Committee discussed and concurred to defer to Executive Committee the review and approval of broker services selection. Ms. Nabors stated she will also review the top two respondents and determine if they will need to provide subsequent presentations.

Charters:

Audit Committee Charter

Mr. Alvarez referenced the "Audit Committee Charter" in the meeting packet. He relayed that he developed this draft charter using the language in the Bylaws. Mr. Ushkowitz pointed out that the first bullet under the "Roles and Responsibilities" section – "overseeing" should replace "arranging and managing" – since it is the Audit Committee that provides the oversight and staff who be arrange and

manage annual audits. Ms. Nabors added that she will also reflect this change in the Bylaws; which the Governance Committee will be reviewing and updating Bylaws later this month for full board approval.

Ms. Lehman made a motion to approve the Audit Committee Charter, revised to include Mr. Ushkowitz's above noted change. Mr. Sweat seconded, motion passed.

Finance Committee Charter

Mr. Alvarez referenced the "Finance Committee Charter" in the meeting packet. He relayed that he developed this draft charter using the language in the Bylaws. Pancake noted a typo error in the 2nd bullet under "Roles and Responsibilities."

Ms. Taylor made a motion to approve the Finance Committee Charter, revised to include his above noted change. Mr. Wylie seconded, motion passed.

CHAIRS' CLOSING REMARKS

Mr. Ushkowitz and Mr. Merck thanked those for attending today's meeting.

The Finance Committee concurred to have the 4/22/14 Finance Committee Meeting just prior to Executive Committee that morning. Ms. Kasal will email out the meeting notice on this.

ADJOURNMENT

There being no other business, the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant

CSCF Budget Versus Actual Report - As of March 2014

CSCF Budget FY 2013 - 2014	BUDGET	REA	WIA Adult	Youth	WIA DW	WT	TAA	FSET	WP	DVOP	UC	LVER	EUC	TACCCT	H1B	PROJ CONCT		
Funding Sources	REVENUE	119	20	22	30	60	81	85	90	94	96	98	124	126	125	127		
Carry In Funds From FY 12 - 13	17,413,569	-	6,168,257	5,509,188	4,742,395	-	-	-	-	993,729	-	-	-	-	-	-		
FY 13 - 14 Award	29,114,200	534,938	10,606,005	5,163,776	1,871,306	6,497,804	160,000	553,370	2,661,367	101,208	411,664	64,920	234,070	50,000	150,000	11,021		
Award Total - Available Funds	46,527,769	534,938	16,774,262	10,672,964	6,613,701	6,497,804	160,000	553,370	2,661,367	1,094,937	411,664	64,920	234,070	50,000	150,000	11,021		
LESS planned Carryover For FY 14 - 15	(11,166,884)	-	(3,181,802)	(5,163,776)	(1,871,306)	-	-	-	(950,000)	-	-	-	-	-	-	-		
LESS De-Obligation	(750,000)	-	-	(750,000)	-	-	-	-	-	-	-	-	-	-	-	-		
Total Available Funds Budgeted	34,610,885	534,938	13,592,461	4,759,188	4,742,395	6,497,804	160,000	553,370	1,711,367	1,094,937	411,664	64,920	234,070	50,000	150,000	11,021		
	BUDGET																	
	EXPENDITURES																	
Salaries/Benefits	13,573,753	333,084	2,329,054	231,312	1,143,131	3,697,598	-	332,493	178,313	33,455	504,823	23,216	183,323	61,955	19,627	20,666	9,092,047	67.0%
Training Assistance	15,508,601	-	5,477,565	1,164,076	1,355,429	252,022	152,488	-	-	-	-	-	-	24	16,424	-	8,418,028	54.3%
Professional Fees	603,100	5,598	133,571	22,955	52,899	68,062	-	5,042	15,432	113	8,673	79	2,428	11	12	126	314,999	52.2%
Other Program Cost Services	185,485	1,027	27,151	11,088	4,216	11,145	-	1,081	5,442	1,057	2,777	607	1,602	144	62	1,035	68,433	36.9%
Facility & Related Cost	3,561,946	53,809	405,799	39,377	182,095	572,669	-	52,600	723,524	41,689	92,500	29,341	82,077	6,245	2,740	23,016	2,307,384	64.8%
IT/Communications	1,042,000	17,574	136,523	14,994	61,998	215,020	-	18,836	174,162	14,739	28,419	10,086	25,182	1,742	1,094	11,177	731,547	70.2%
Misc.	136,000	1,605	24,339	1,932	6,415	18,088	-	1,460	26,319	1,269	2,568	718	2,223	155	15	233	87,339	64.2%
TOTAL EXPENDITURES	34,610,885	412,696	8,534,002	1,485,733	2,806,183	4,834,603	152,488	411,512	1,123,192	92,322	639,760	64,048	296,834	70,275	39,973	56,252	21,019,777	
TOTAL EXPENDITURES	21,019,874	412,696	8,534,002	1,485,733	2,806,183	4,834,603	152,488	411,512	1,123,192	92,322	639,760	64,048	296,834	70,275	39,973	56,252		
TOTAL AVAILABLE FUNDS	13,591,012	137,555	4,810,839	3,278,878	1,985,817	1,948,646	7,654	186,521	19,218	1,018,054	292	6,202	35,764	0	110,027	(0)		
% OF FUNDS EXPENDED BY GRANT	60.7%	74.3%	64.6%	31.1%	58.1%	70.0%	95.2%	66.3%	98.9%	7.0%	99.9%	90.4%	84.7%	100.0%	26.6%	100.0%		
	ACTUAL	TARGET																
ITA %	61.3%	50.0%	A															
ADIMINISTRATIVE COST %	7.3%	5.4%	B															

A - The states mandates that 50% of total WIA adult and dislocated worker funds are spent in client intensive training activities.

B - The state mandates that total administrative cost are not to exceed 10% of total cost.

CSCF PRELIMINARY FY 2014/2015 - Source of Funds with PY Comparisons

Base Allocations

Purpose and Use of Funds

BUDGET **BUDGET**
FY 2014/2015 **FY 2013/2014** **DIFFERENCE** **%**

Carry Forward Funds From Prior Year

Funds that may be carried forward beyond June 30

Workforce Investment Act Adult Funds	Base Allocation Funds with two year life
Workforce Investment Act Youth Funds	Base Allocation Funds with two year life
Workforce Investment Act Dislocated Worker Funds	Base Allocation Funds with two year life
Wagner Peyser	Universal services for all job seekers and all employers

\$3,181,802	\$6,168,257	(\$2,986,455)	-48.4%
\$5,163,776	\$4,759,188	\$404,588	8.5%
\$1,871,306	\$4,742,395	(\$2,871,089)	-60.5%
\$950,000	\$993,729	(\$43,729)	-4.4%

New Allocation For FY 2013/2014

Workforce Investment Act (WIA) Adult Funds	Serves Universal Adult Population (Age 18+)
Workforce Investment Act (WIA) Youth Funds	Restricted to economically disadvantaged youth with additional barrier (Ages 14-21)
Workforce Investment Act (WIA) Dislocated Worker Funds	Serves Individuals who have lost their jobs through no fault
Welfare Transition Funds (WTP)	Temporary Assistance for Needy Families; serves individuals and households receiving public assistance and limited diversionary services to prevent need for receiving public assistance
Unemployment Compensation Funds (UC)	Services for individuals receiving unemployment compensation

\$4,456,739	\$4,992,088	(\$535,349)	-10.7%
\$4,720,338	\$5,163,776	(\$443,438)	-8.6%
\$6,108,921	\$7,485,223	(\$1,376,302)	-18.4%
\$6,159,882	\$6,497,804	(\$337,922)	-5.2%
\$411,664	\$411,664	\$0	0.0%

Jointly Managed Funds with The Department of Economic Opportunity (DEO) **Funds to provide jointly managed state programs; State Utilized funds are used for payroll and benefits for DEO personnel; Pass Through funds are used for staff training and travel, cost allocated expenditures for One Stop Services, and program support needs.**

Wagner Peyser Funds	Universal services for all job seekers and all employers
Disabled Vets Program (DVOP)	Employment services for veterans who have a disability
Local Vets Program (LVER)	Employment services for all veterans

\$2,397,762	\$2,661,367	(\$263,605)	-9.9%
\$101,208	\$101,208	\$0	0.0%
\$64,920	\$64,920	\$0	0.0%

\$24,421,434 **\$27,378,050** **(\$2,956,616)** **-10.8%**
\$11,166,884 **\$16,663,569** **(\$5,496,685)** **-33.0%**

Special Grant CF and other Awards

Trade Adjustment Assistance (TAA) New Rules	Provides Training and Support for participants who have lost employment due to foreign trade impact per New Participant Rules
Reemployment and Eligibility Assessment (REA)	Funds provided to conduct one on one interview assessments with participants who meet REA program criteria
H1B Grant	
TACCT	US Department of Labor Trade Adjustment Community College Training (TACCT) - Valencia College
Food Stamp Employment and Training (FSET)	Voluntary Program to provide training to Food Stamp participants
Emergency Unemployment Compensation (RES EUC)	Funds providing certain reemployment services to unemployment compensation claimants
RA Project Connect	Funds provided to support local one-stop center staff in informing and assisting customers navigate and use the new Reemployment Assistance on-line claim system
Disability Navigator Program Fund	informing and assisting customers navigate and use the new Reemployment Assistance on-line

\$160,000	\$160,000	\$0	0.0%
\$534,938	\$534,938	\$0	0.0%
\$150,000	\$150,000	\$0	0.0%
\$50,000	\$50,000	\$0	0.0%
\$553,370	\$553,370	\$0	0.0%
\$234,070	\$234,070	\$0	0.0%
\$0	\$11,021	(\$11,021)	-100.0%
\$0	\$42,751	(\$42,751)	-100.0%

claim system (Project Connect).

\$1,682,378 **\$1,736,150** **-\$53,772** **-3.1%**

TOTAL AVAILABLE FUNDS
LESS PLANNED CARRY-FORWARD
TOTAL FUNDS BUDGETED

\$37,270,696 **\$45,777,769** **(\$8,507,073)** **-18.6%**
\$5,305,128 **(\$11,166,884)** **\$16,472,012** **-147.5%**
\$42,575,824 **\$34,610,885** **\$7,964,939** **23.0%**



MEMORANDUM

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Fiscal Year 2014-15 Budget Timeline

Date: April 22, 2014

Purpose:

The purpose of this Memo is to provide a timeline for approval of CareerSource Central Florida's fiscal year 2014-2015 budget.

Background:

In order to support timely implementation of the annual program year budget, CareerSource Central Florida's leadership is working hand in hand with the Finance and Program Committees to develop a detailed provisional budget. This provisional budget will then be presented to the Consortium and Board of Directors on June 20, 2014 for approval.

In order to meet the implementation deadlines, the following budget timeline has been established:

- **Date TBD (May 2014):** Finance/Program Committee Budget Workshop to establish budget priorities
- **June 03, 2013:** Finance Committee meeting to finalize budget
- **June 06, 2013:** Draft budget to Board of Directors and Consortium for review
- **June 20, 2013:** Budget presented to Board of Directors and Consortium for approval

If anyone wishes to review the budget prior to June 20th please feel free to contact me any time, at (407) 531-1204.



ACTION ITEM #1

To: Finance Committee
From: Leo Alvarez
Subject: CareerSource Central Florida – Annual Staff Benefit Renewal
Date: April 22, 2014

Purpose:

The purpose of this memo is to provide a summary to the Finance Committee regarding the annual renewal of CareerSource Central Florida employee benefits.

Background:

CareerSource Central Florida recently engaged in a thorough review of our insurance broker service relationships. As a result of that process, Willis of Florida was selected as our new broker for health and welfare benefit plans. Upon final approval of the Board of Directors, we began working diligently with Willis to develop a strategy for the current and upcoming benefit plan years.

Accomplishments:

1. Strategic consultant partner:

Willis has been engaged as a strategic consultant partner to assist CareerSource Central Florida in achieving group health and welfare goals for the next 3 years, to include maintaining an affordable health plan for both the organization and employees.

2. Broker compensation:

Willis' compensation recommendation included:

- Removing commissions from the insurance products they could be extracted from, in exchange for a fee for service
 - Group medical with UHC and non-medical lines with Aetna no longer contain commissions
 - Premiums have been adjusted to reflect this deduction, saving \$12,000 from non-medical lines of coverage and \$149,000 from medical.

3. Benefit plan year:

Plan year effective dates will be moved from May 1, 2014 to July 1, 2014 to align our group health and welfare benefit plans with our fiscal year.

- Willis successfully negotiated with United Healthcare, Aetna and the other plan vendors to move the effective date of the plans to July 1, 2014.

- The 2 month plan year will be cumbersome, requiring action from employees that may need to be duplicated only 8 weeks later, but it will help our budgeting process and should be worth the temporary inconvenience.

4. Strategy and negotiations for the 2014-15 plan year:

- Additional plan options for employee elective consideration (two medical plans and an 'opt-out' option)
- Summary of United Healthcare Plan negotiations (see attachment):
 - Worked with United Healthcare to move the plan year to July, simultaneously negotiating favorable renewal premiums
 - Complicated by worsening claims experience in the previous plan year
 - 9 large claims accounted for 51% of our total claims (other 49% across 466 individual claimants)
 - 5 of these large claims are on-going
 - United Healthcare originally offered a renewal increase of 35%
 - "As is" renewal increase would have equaled \$818,528 in additional annualized premiums
 - Willis negotiated an "as is" renewal increase of 22%
 - "As is" renewal increase would now equal \$515,687 in additional annualized premiums
 - Our plan year *change to July* strategy includes an additional plan option, which has a premium renewal increase of 5.7%
 - This plan design is a less expensive plan than the "As is" (current) plan
 - The realized increase in premium cost to the organization should equal between \$9-\$13,000 per month (\$108-156,000 annually) which is between a 5-7% increase
 - Will vary dependent upon the number of persons enrolling in each plan
 - This strategy includes new cost sharing/payroll deductions on premiums with employees
 - With a new \$10 payroll deduction, we are encouraging those who have medical benefits elsewhere to "Opt Out"
 - Those who opt out will result in further cost reduction to the new plan year (\$6700 per person, annually)
 - As an incentive CareerSource Central Florida will offer \$1,000 per employee, annually if they "Opt Out" of our medical plan.

5. Non-medical benefits:

Because CareerSource had previously negotiated 2 and 3 year rate guarantees, the focus on the non-medical benefits was to:

- Remove the broker compensation
- Move the renewal dates from May to July 1, 2015 and July 1, 2016
 - No Policy or Benefit Changes to dental, vision, life, short or long term disability recommended at this time

6. Strategies to diminish costs over time:

- Further plan design changes including Health Reimbursement Accounts (HRA) and Health Savings Accounts (HSA)
 - After evaluating our claims utilization patterns, it became obvious that we had a high percentage of the population using very little medical benefits
 - We are not currently accessing some of the tax benefits available that some members of our population may find attractive

- Our strategy includes finding a way to incent our employees to make healthier choices – HRA plan designs can be used to help incent our employees to make healthier choices
- Preventive medicine, Wellness and Health Condition management
 - Using incentives to help our employees make healthier choices, with Willis help, we will execute a strategy to begin intervening at earlier stages to help employees become healthier over time, positively impacting their lives while diminishing our large claim volume and future health claims costs

7. Flexible Spending Account (FSA) and Dependent Care Allowance (DCA):

Engage a 2 month “short plan year” with an incremental election for employees electing FSA and DCA

8. Voluntary benefits:

Develop a strategy to replace the current payroll-deducted, comparatively expensive individual products with true group insurance products. Employees may choose to keep their individual products through direct payment from their checking accounts. Voluntary benefit options to be offered on a payroll-deduction basis for group products we select.

Employee educational meetings will be held during the weeks of May 5 and May 12, 2014. During these meetings we will share information regarding 2014-15 benefit plans, including additional options, which will become effective on July 1, 2014. Open enrollment will take place from May 15 – June 12, 2014, with an effective date of July 1, 2014.

Recommendation:

CareerSource Central Florida staff would like to recommend the approval of Fiscal Year 2014-15 annual staff benefit renewal based on the information presented.

**CARRERSOURCE CENTRAL FLORIDA
BENEFIT PLAN OPTIONS - FISCAL YEAR 2014-15**

Current Plan design

Alternative 1

Alternative 2

Benefits Highlights		<i>In Network</i>		<i>In Network</i>
Calendar Year Deductible (CYD)				
Single		\$500		\$1,500
Family		\$1,000		\$3,000
Coinsurance		80/20		80/20
Out-of-Pocket Limit <small>includes copays, CYD, coinsurance and Rx copays</small>				
Single		\$2,500		\$4,000
Family		\$5,000		\$8,000
Lifetime Maximum		Unlimited		Unlimited
Physician Services				
PCP Office Visits		\$20 copay		\$25 copay
Specialist Visits		\$30 copay		\$50 copay
Preventive Care				
Well Child Care		No charge; ded waived		No charge; ded waived
Routine Adult Physical Exam		No charge; ded waived		No charge; ded waived
Well Woman/GYN Exam		No charge; ded waived		No charge; ded waived
Mammograms		No charge; ded waived		No charge; ded waived
Hospital Services				
Inpatient		20% after deductible		20% after deductible
Outpatient		20% after deductible		20% after deductible
Emergency Services				
Emergency Room		\$100 copay		\$300 copay
Urgent Care Center		\$50 copay		\$50 copay
Diagnostic X-ray/Lab				
Diagnostic Lab Facility		20% after deductible		20% after deductible
Diagnostic X-ray Facility		20% after deductible		20% after deductible
Major Services - PET Scans, MRI, CT Scans		\$200 copay		20% after deductible
Prescription Drugs				
Retail - 30 day supply		<i>90 day mail order copay is 2.5x per tier/category</i>		
Tier 1		\$10		\$10
Tier 2		\$30		\$30
Tier 3		\$50		\$50
Specialty		\$100		\$100
PREMIUM ANALYSIS				
		<i>Last year</i>	<i>Alt 1</i>	<i>alternative</i>
Employee	112	\$549.06	\$670.15	\$580.60
Employee & Spouse	20	\$1,175.03	\$1,434.12	\$1,242.48
Employee & Children	61	\$1,021.30	\$1,246.49	\$1,079.93
Family	30	\$1,729.63	\$2,111.01	\$1,828.92

<i>Total Premiums</i>	<i>Last year</i>	<i>Alt 1</i>	<i>Alt 2</i>
Monthly premium cost	\$199,184	\$243,105	\$210,620
Annual premium cost	\$2,390,202	\$2,917,265	\$2,527,442
Percentage increase		22.05%	5.74%
Annual difference in premium		\$527,062	\$137,239

<i>MINUS - Suggested Payroll Deductions (Twice a Month)</i>	<i>Last year</i>	<i>Alt 1</i>	<i>Alt 2</i>
Employee	\$0	\$40	\$10
Employee & Spouse	\$78	\$170	\$80
Employee & Children	\$59	\$140	\$60
Family	\$148	\$280	\$140

<i>Total Premiums After EE Cont</i>	<i>Last year</i>	<i>Alt 1</i>	<i>Alt 2</i>
Monthly premium cost	\$179,998	\$193,465	\$189,460
Annual premium cost	\$2,159,976.72	\$2,321,585	\$2,273,522
Percentage increase		7.48%	5.26%



ACTION ITEM #2

To: Finance Committee
From: Leo Alvarez
Subject: CareerSource Central Florida – Facilities Update
Date: April 22, 2014

Purpose:

To provide a CareerSource Central Florida facilities update and seek committee approval on staff recommendation for leases set to expire.

Background:

Last year CareerSource Central Florida began work on a five year facilities plan to decrease facility rental costs and create greater efficiencies. Over the last year two special projects offices were closed, lease terms were renegotiated for the Leesburg office, and consolidation of two offices in Seminole County is underway. A space needs analysis of the One-Stop Career Centers to maximize utilization of space has been conducted.

The chart below provides a snap shot of four locations requiring action.

Vendor Name	Description	Square Ft	Rate per Square Ft	Annual Cost	Expiration Date
ORANGE COUNTY					
The Robert Rizika Trust	1563 Florida Mall Ave, Orlando	9,440	\$ 14.34	\$ 135,370	10/31/2014 {A}
Westside Plaza Assoc	609 Powers Drive, Orlando	13,054	\$ 13.50	\$ 176,229	6/30/2015 {B}
Continental Properties	707 Mendham Blvd, Orlando	23,824	\$ 23.60	\$ 562,188	12/31/2015 {C}
OSCEOLA COUNTY					
Millcreek Partners	1392 East Vine Street Kissimmee	30,625	\$ 7.19	\$ 220,194	12/31/2014 {D}

Based on the above lease expirations and required notice of leave dates staff is recommending the following plan of action:

Recommendations:

{A} - This location has a good office layout and substantial customer traffic visiting this office. The current rate per square foot is reasonable based on current market rates. This office fits the needs of the organization from a service delivery stand point. However, the limited number of parking spaces available at this location is a significant drawback. In order to avoid substantial renovation cost CareerSource Central Florida staff recommends negotiating a 5 year extension seeking a discounted cost. In the negotiations we would also request for additional parking spaces to be reserved in the Florida Mall parking lot for staff to alleviate the parking issues.

{B} - Our One-Stop Career Center on West Colonial Drive is one of our “newer” offices. We are entering our 5th and final year under contract. We have been contacted by the landlord asking if we are interested in renewing and adopting a longer termed contract. This office has the desired space, has a good office layout, and a high volume of customer traffic. Once the need was determined we contacted our real estate broker John Doran of RE Commercial, to provide real estate market data. Based on his research the asking rate per square foot based on the size of our suite can range between \$12.00 to \$15.00. Based on preliminary negotiations with the landlord he has agreed to offer a new five year contract with an additional two five year term options. Our current lease has an annual escalation rate is of 3.5%. If we were to renew, the initial year would have no increase in rate and after the first year the annual escalation rate will decrease to 2.5%. Under the new terms CareerSource Central Florida would realize a saving of roughly \$50,000 in the first term, and if we choose to extend past the 1st term we would realize a savings of \$152,000 through the second term and \$334,000 through the third term.

{C} – Our administrative office is by far our most expensive location at a current rate per square foot of \$23.60 and a total annual cost in excess of a half a million dollars. We currently have nearly 18 months left on our lease, which expires on December 31, 2015. Per review of the early termination clause, if we were to vacate the space during calendar year 2014, CareerSource Central Florida would be required to pay \$80,000 in early termination fees. If we were to vacate On January 1, 2015 or anytime thereafter there is no early termination fee and are only required to provide a 90 day notice. In looking at potential new space staff is interested in looking for space that is less isolated from other business centers in the community. Areas of interest include surrounding areas near downtown Orlando as well as the Maitland exchange area. Based on preliminary real estate market data provided by our broker the cost for “class B” office space in the areas identified above have a rental cost that ranges between \$16.00 to \$20.00 per square foot. The size of our current administrative office is 23,824, which is more space than what need to operate. We’ve determined that if properly designed we could operate in a 15,000 square foot location. Based on the preliminary information available to us, by relocating our administrative office we could potentially realize an annual savings ranging between \$260,000 and \$320,000.

{D} – The Osceola County office is by far our largest and lowest rate per square foot location. The office is situated in an ideal location, serving a large portion of our customer base. The office currently meets the needs of our organization and at a \$7.19 rate per square foot, we would be hard pressed to find space of this quality at the current rate. The current lease has an expiration date of December 31, 2014. We have one five year option available in our lease to extend at a 3% annual escalation. Such option requires a written notice six months prior to expiration, or by June 30, 2014.



ACTION ITEM #3

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Revision to Procurement Approval Threshold

Date: April 22, 2014

Purpose:

To request that the Board give consideration to increasing procurement approval thresholds for the Executive Committee from the current level of \$50,000 to \$100,000, with an effective date of July 1, 2014.

Background:

CareerSource Central Florida's current policies and procedures for contracting and procurement established "small purchases" thresholds at \$100,000 or less for goods and services. Purchases of \$100,000 or more are classified as "large purchases" which require a formal bid process and approval by the Board of Directors. In an effort to safeguard against past practices identified in 2011, the Board of Directors added additional controls which required Executive Committee and Board of Director approvals on purchases of \$50,000 to \$99,999.

Recommendation:

Based on the projected \$42M 2014-2015 fiscal year budget, along with a clean procurement history over the past two years of A-133 audits and DEO Monitoring, CareerSource Central Florida staff are recommending raising the approval threshold for the Executive Committee to \$100,000.



PROCUREMENT POLICY – SMALL PURCHASES EXERPT

- a) **SMALL PURCHASES** – “Small Purchases” relate to procurement of goods and services for which the aggregate cost is less than \$100,000. Purchases from \$1 to \$99,999 do not require a formal request for proposals or bids. If required under applicable law, procurements under the small purchase threshold will be bid as so required.
- i. Purchases of \$1 to \$4,999 require a minimum of two price comparisons (oral or written), and documentation of the oral or written communication (e.g., e-mail, online pricing, oral contact information) will be attached to the purchase requisition or included in the procurement file for the purchase as appropriate. If the lowest-price item is not purchased, a written justification will be included in procurement file. (See section C. 2. below)
 - ii. Purchases of \$5,000.00 to \$24,999 require at least two written quotes, and the written quotes will be attached to the purchase requisition or included in the procurement file for the purchase as appropriate. If the lowest-price item is not purchased, a written justification will be included in procurement file.
 - iii. Purchases of \$25,000 to \$99,999 require at least three written quotes, which will be documented and attached to the purchase requisition or included in the procurement file for the purchase as appropriate. If the lowest-price item is not purchased, a written justification will be included in the procurement file. ~~Purchases of \$50,000 to \$99,999 require approval by the Executive Committee of the Board of Directors.~~
- b) **BIDS AND FORMAL REQUESTS FOR PROPOSALS** — Purchases of \$100,000 and above will be publicly advertised and a formal solicitation will be issued. The decision to issue a solicitation, along with the material elements of the solicitation, will be presented to the Board of Directors for approval. In such instances, the Board makes the final procurement decision. See CareerSource Central Florida’s Contracting Policy for specific requirements related to RFPs or other solicitations.