

Finance and Legal Services Committees' Joint Meeting

WCF Admin Office
707 Mendham Blvd., Suite 250
Orlando, FL 32825
Tuesday, October 16, 2012
9:00 a.m.

MINUTES

MEMBERS PRESENT: Deborah Clements, Catherine Hanson (via phone), Thomas Katheder, Bill Merck, and Mark Wylie

MEMBERS ABSENT: Melanie Cornell, Joe Sarnovsky, Kevin Shaughnessy and Tom Yochum

STAFF PRESENT: Pam Nabors, Kevin Neal, Leo Alvarez, and Kaz Kasal

WELCOME & CHAIRS' REMARKS

Introductions

Mr. Merck and Mr. Katheder called the meeting to order at 9:09am, welcomed those in attendance and introductions were made.

Roll Call/Establishment of Quorum

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

Public Comment

None offered.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

- After review of the minutes from the 5/30/12 Finance Committee Meeting, Ms. Clements made a motion to approve the minutes. Ms. Hanson seconded, motion passed.
- After review of the minutes from the 6/5/12 Finance and Program Joint Committees' Meeting, Mr. Wylie made a motion to approve the minutes. Ms. Clements seconded, motion passed.
- After review of the minutes from the Legal Services previous meetings, dated 11/14/11, 4/2/12, and 4/19/12, Mr. Merck made a motion to approve the minutes. Mr. Katheder seconded, motion passed.

INFORMATION AND DISCUSSION ITEMS

Financial Policies and Procedures

Mr. Alvarez reported that, per the Governor's 9/21/11 letter, it was required that WCF obtain the service of an independent knowledgeable third-party firm to perform and complete policies pertaining to accounting, procurement and contracting. WCF hired Taylor, Lombardi, Hall, Wydra, P.A. to provide technical assistance to help complete WCF's new policies and procedures. Upon completion of the policies, they were sent to DEO for review. After a review of the comments received from DEO was completed, a draft of the policies were

sent to the Finance Committee.

The finance committee reviewed and discussed the draft financial policies. Mr. Merck indicated he will provide to Mr. Alvarez some further minor modifications.

Ms. Nabors reviewed the chart of required approvals and solicitations and the "Table of Authorities", which shows the authority levels for property and procurement processes and procedures. Per Mr. Shaughnessy's request, contracts and purchases of \$50,000 or more require approval of the Executive Committee and purchases of \$100,000 or more require the approval of the Board of Directors.

Mr. Wylie made a motion to bring to board for approval the draft financial policies and procedures, with recommended edits by the Finance Committee. Ms. Hanson seconded, motion passed.

Budget Variance Report

Mr. Alvarez reviewed the "WCF Budget Versus Actual – as of August 2012" report, and stated that WCF is at 17% in expenditures, which is on track of where we should be with the budget.

Ms. Clements suggested that "Salaries/Benefits" and "Direct Client Services" categories should be more clearly defined. "Direct Client Services" should be changed to "Training and Customer Support Services", and "Salaries/Benefits" should be further split out between program staff and administration staff.

Mr. Alvarez indicated if the Finance Committee would like further details, he can provide to them. These report formats will continue to be revised with board member input.

403(b)

Ms. Nabors reported following status on the 403(b) audits:

- 2011 Audit – completed and filed on 10/15/12, met deadline so not subject to penalty
- 2009 and 2010 Audits – both audits expected to be filed by deadline of 10/31/12. Mr. Katheder indicated that WCF has engaged an ERISA attorney, Jeffrey Ashendorf with Ford & Harrison, who understands late filing processes.

Ms. Nabors indicated that the Finance Committee will oversee the 403(b) plan. She will arrange for the plan administrator, AUL, to attend the next Finance Committee meeting to provide a presentation of the 403(b) plan. Mr. Katheder advised that any action a board member takes is covered under D&O insurance.

Staffing Agency RFQ (Requests for Qualifications)

Mr. Alvarez stated that, at the request of the Finance Committee, an RFQ went out for employee leasing services (payroll and HR) on 6/1/12. These services would be specifically for WCF's subsidized employment programs. Five proposals were received and reviewed. The review team of four consisted of management staff from the programs, customer service and human resource departments. Based on their review, WCF recommends that TEWS Company, which received the highest score, be selected for contract negotiations, subject to reference check.

After review and discussion, Mr. Wylie made a motion to bring to full board for approval the recommendation of TEWS Company to be selected for contract negotiations, subject to reference check. Ms. Clements seconded, motion passed.

DEO Management Decision

– Proposed Admin Offset

Ms. Nabors stated that a letter was received from DEO accepting the Preventative/Corrective Action Plan (PCAP) with the exception of the \$739,000 settlement in Lake Mary. With regard to this outstanding disallowed cost, the DEO has forwarded to USDOL a request to utilize a portion of unspent 2012 admin funds to offset, and now waiting to see if USDOL will accept this request. If the USDOL accepts the request, the audit be concluded and closed out, which should then result in removal of the high-risk designation.

– Lease changes, implications

Ms. Nabors stated a letter from DEO was received requiring WCF to submit a lease plan detailing all existing leased space and maintain the plan for the future years. All proposed leasing decisions will require DEO's prior approval. These requirements are due to the lack planning and prudent decision making from prior management. WCF is requested to compile all existing leases for the plan and submit to DEO no later than 12/15/12. Mr. Katheder asked that WCF forward the draft plan to him for review, before it is submitted to the State.

Mr. Merck concurred with DEO, and added that this requirement will help to keep WCF from getting in a similar situation facing disallowed costs.

Mr. Katheder advised that significant space planning will need to be done in the following order of priority: 1) Seminole County (two leases expiring in 2013) and 2) Orange County, East and South offices.

HR Legal Issues

Mr. Katheder reported that there are three claims pending and Ms. Flynn, with Ford & Harrison, has done a good job handling these claims.

Ms. Nabors added that two of these claims arose from former WCF Re-Employment Connection (REC) participant placed on internships at WCF sites. REC participants will no longer be placed at WCF locations.

With regard to the 3rd claim in software leasing, Mr. Katheder indicated a plea was issued to the arbitrator to entertain a counter claim and was accepted. He will provide further information as he gets updated.

Ms. Nabors indicated that WCF is close to hiring the HR Director. The person in this position will be evaluating the overall HR function. This person will also mitigate and support HR legal issues and be the Finance Committee's liaison on 403(b) plan.

CHAIRS' CLOSING REMARKS

Mr. Merck and Mr. Katheder thanked all those who attended today's meeting.

There being no other business, the meeting was adjourned at 10:28 a.m.

UPCOMING MEETINGS

- Finance Committee Meeting – 2/12/13

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant