

Joint Meeting of the Audit and Finance Committees

CareerSource Central Florida Office
707 Mendham Blvd., Suite 250
Orlando, FL 32825
Tuesday, August 12, 2014
2:30 p.m.

MINUTES

MEMBERS PRESENT: Bill Merck, Eric Ushkowitz, Art Bisner, Melanie Cornell, Mike Kurek, Barbara Lehman, Margaret McGarrity, Joseph Sarnovsky, Chuck Todd and Mark Wylie

MEMBERS ABSENT: Joe Pennisi

STAFF PRESENT: Pam Nabors, Leo Alvarez, Ann Beecham and Kaz Kasal

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

WELCOME

Mr. Ushkowitz and Mr. Merck called the meeting to order at 2:33 pm and welcomed those in attendance.

BUSINESS MATTERS OF THE AUDIT COMMITTEE

1. Roll Call/Establishment of Quorum

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

2. Public Comment

None offered.

3. Approval of the Minutes

Ms. Lehman noted two corrections to be made in the 2/3/14 Joint Meeting of the Audit and Finance Committees: under "Approval of the Minutes" and "Finance Committee Charter" sections change Mr. Taylor to Mr. Pancake.

Barbara Lehman made a motion, with the inclusion of above noted corrections, to approve the minutes from the 2/3/14 Joint Meeting of the Audit and Finance Committees. Mr. Todd seconded, motion passed.

4. Information/Discussion Items

A. Presentation of Cherry, Bekaert on program Year 2013-14 A-133 Audit

- Report on Interim Work Performed / Audit Plan for Year End Testing
Mr. Burdick, the lead on the A-133 audit for Program Year 2013-14, greeted the committee and introduced Dan Gougherty who is managing the audit. Mr. Burdick referenced the handout entitled "Audit Committee Meeting Planning Communications

- for the Year Ended 6/30/14” and reviewed the interim work being performed and audit plan for year-end testing which will begin on 9/2/14. The auditor’s responsibility will include: assurance that financial statements and supplementary information are fairly represented and in compliance. Areas of emphasis will include: federal single audit and related compliance matters, follow up on implemented corrections to prior year audit findings and compliance monitoring reports. Target date for a report draft is 10/31/14. No issues have been identified during the preliminary testing.

5. Adjournment

There being no other business, the meeting was adjourned at 2:43 p.m.

BUSINESS MATTERS OF THE FINANCE COMMITTEE

1. Roll Call/Establishment of Quorum

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

2. Public Comment

None offered.

3. Approval of the Minutes

After review, Mr. Sarnovsky made a motion to approve the minutes from the 6/3/14 Finance Committee Meeting. Mr. Wylie seconded, motion passed.

4. Information/Discussion Items

➤ Year-end Financial Results

Mr. Alvarez referenced report in the meeting packet entitled: “CareerSource Central Florida Budget vs. Actual Report – As of June 2014 and reviewed the year-end financial results.

➤ 403b Plan Updates

Investment Policy Statement - Mr. Alvarez stated that, at the request of the committee from the last meeting, the ERISA attorney has reviewed and advised that it is not a requirement to have an Investment Policy Statement. If we decide to have an Investment Policy Statement the ERISA attorney can help to craft one relevant to our plan.

After further discussion, Mr. Wylie made a motion to have the ERISA attorney craft a broad-based Investment Policy Statement for the Finance Committee’s review. Mr. Todd seconded, motion passed.

Loans – the committee reviewed and discussed the current loan provision in CareerSource Central Florida’s 403b plan and new proposed language staff is recommending. The committee concurred CareerSource Central Florida staff should be provided educational sessions on retirement plan vs. loan program, the disadvantages of borrowing against their 403b plan, and also get their feedback on the new proposed language. The committee also

asked management to look into attaining affiliation with a credit union, so staff have a more viable alternate option for borrowing money.

Fees – based on committee recommendation from last meeting, CareerSource Central Florida's broker will go back to market to make sure their fees are appropriate and reasonable.

5. Action Items

- Facilities Update / Administration Office – Mr. Alvarez reviewed the market research on alternate locations for CareerSource Central Florida's administration office. Based on preliminary lease cost comparisons, two facilities have been narrowed down. Ms. Nabors added that the major reasons for moving to an alternate location are: lease cost savings by downsizing in space and attaining a more competitively priced lease, and also moving to the downtown Orlando area will be a more centralized location to the overall region, which aligns with the Board's strategic goal of being the backbone agency in this region. Staff travel cost will also decrease being more centrally located.

Mr. Todd made a motion to allow staff to continue to negotiate with the top two facilities selected. A final recommendation will be presented to the Executive Committee for their consideration at their 9/15/14 meeting. Mr. Wylie seconded, motion passed.

- Revision to Procurement Policy - Mr. Alvarez stated that staff is recommending that the Finance Committee give consideration to remove the requirement for the Board to approve decision to issue a request for proposal, or other forms of formal solicitations. It is difficult to wait for Board approval of procurements, since Board of Directors meetings occur every couple of months.

Mr. Wylie made a motion to approve the below proposed language. Mr. Sarnovsky seconded, motion passed.

Proposed Language:

Careersource Central Florida's current policies and procedures for contracting and procurement established that all 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 appropriate committee of the Board of Directors as an information item. The Board of Directors make the final procurement decision.

6. Adjournment

There being no other business, the meeting was adjourned at 4:03 p.m.

Respectfully submitted,

Kaz Kasal
Administrative Supervisor