

Board of Directors Meeting

Seminole State College / Heathrow Campus
Center for Economic Development
1055 AAA Drive
Heathrow, FL 32746
Tuesday, February 26, 2013
9:00 a.m.

MINUTES

BOARD MEMBERS PRESENT: Thomas Katheder (Acting Chair), Dr. Angela Adams, Greg Beliveau (via phone), Paul Bough, Robert Brown, Deborah Clements, Melanie Cornell, William D’Aiuto, Catherine Hanson, Eric Jackson, Leland Madsen, William Merck, Brian Michaels, Tirso Moreno, Taylor Pancake, Jack Plettinck (via phone), Dr. Sanford Shugart (via phone), Dr. Robert Spooner (via phone), Robert Thompson, Eric Ushkowitz, Rick Walsh (via phone), Larry Walter, and Mark Wylie

MEMBERS ABSENT: Diana Bolivar, Wendy Brandon, Steve Clelland, Leticia Diaz, Lorna Garrow, Joseph Sarnovsky, Kevin Shaughnessy, Richard Sweat, and Chuck Todd

STAFF PRESENT: Pamela Nabors, Kevin Neal, Joyce Hinton, Anika Holmes, Kameel, Leo Alvarez, Tonya Elliott, Jason Lietz, Chad Kunerth, Suzan Awad, and Kaz Kasal

GUESTS PRESENT: Dr. Sean Snaith, Director, Institute of Economic Competitiveness, University of Central Florida

WELCOME & CHAIR’S REMARKS

Mr. Katheder called the meeting to order at 9:00 a.m. and welcomed those in attendance. In absence of Mr. Shaughnessy, Mr. Katheder stated he would preside over today’s board meeting as Acting Chair.

Roll Call/Establishment of Quorum

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

Approval of Minutes from 10/30/12 Board of Directors Meeting and 12/13/12 Consortium & Board Joint Meeting

In review of the meeting minutes from the October, 30, 2012 Board of Directors’ meeting and December 13, 2012 Joint Meeting of the WCF Consortium and Board of Directors, Mr. Madsen made a motion to approve the minutes. Mr. Michaels seconded and motion passed.

Public Comment

None offered.

PRESENTATION ON GROWTH SECTORS FOR CENTRAL FLORIDA

Ms. Nabors introduced Dr. Snaith who is the Director of University of Central Florida's Institute for Economic Competitiveness. He is a nationally recognized economist, specializing in the field of business and economic forecasting. Dr. Snaith is also a member of several national economic forecasting panels.

Dr. Snaith greeted the board and referenced the "Florida & Metro Forecast" booklet in today's board packet. This is a publication that comes out quarterly and provided in support from Orange County Government. Dr. Snaith provided an overview of the current and future economic situation in Florida and this region, with the following highlights:

- The central theme is dealing with uncertainty and the slow recovery pace – this is the weakest recovery since the Great Depression. This uncertainty stems from political, health care reform, and financial regulation reform – although the latter two are much needed. Companies are controlling costs and not hiring. Lending restrictions are also suppressing economic recovery. Other forces included European sovereign debt, fiscal cliff, sequestration, and tax rates.
- Key drivers of the regional economy are population influx, recovery from financial marketing – financial asset value/housing greater than pre-recession, and retirees (affluent areas are growing). International factors – South/Central America influx with leisure, hospitality, and real estate in South Florida. Central Florida is the "bread basket" of the State – I-4 corridor, Lake Nona medical city coming to fruition, and geography of the region allows us to grow in every direction – internal areas are growing faster than coastal areas.

Mr. Beliveau thanked Dr. Snaith for his presentation and forecast information. He indicated that the State of Florida's forecast came out two weeks ago and, although very similar, Dr. Snaith's forecast is more in depth. The need to diversify Florida's sectors is important and we should diversify training. Dr. Snaith replied that the key drivers in Florida's economy are tourism, retirement, and population growth. Developing a diverse economy is important, but not easy to accomplish and it can take decades to change the makeup of sectors. The State should focus more on education/training – having a more powerfully skilled, dynamic labor force to meet the needs of the private sector, i.e. manufacturing is critical in order to compete in the global economy.

Mr. Wylie asked with the working population decreasing in Florida, what is the wave of the future? Dr. Snaith replied that with a large segment of the population heading into retirement this will put the worker-to-retiree ratio out of alignment. One way to address this is getting real immigration reform – attracting the world's best and brightest to live in our country. A lot of work with the labor market still needs to be done.

The board thanked Dr. Snaith for his presentation and discussion.

INTRODUCTIONS

Ms. Nabors welcomed and introduced the following new board members, attending their first meeting: Mr. Taylor C. Pancake, serving on Seminole County Port Authority and Senior Counsel with Foley & Lardner; Mr. Robert Thompson, Sr. Vice President/Chief Marketing Officer, Old Florida National Bank and Chair of S. Lake Chamber; and Mr. Larry Walter, President, Hanson, Walter & Associates,

COMMITTEE REPORTS AND DISCUSSION

Audit Committee

Mr. Ushkowitz reported that at the last meeting on 1/14/13, the Audit Committee reviewed the draft audit report and the review went well. The Audit Committee will meet jointly with the Finance Committee on 3/11/13 to review the final audit and bring forward to the next board meeting.

Executive Committee

Mr. Katheder reported that Mr. Shaughnessy and Ms. Nabors met with Department of Economic Development (DEO) in Tallahassee earlier in the month. Their discussion with DEO involved pending matters and resolution of WCF's high-risk designation. Ms. Nabors added that DEO is favorable to removing the designation after WCF operates under its new fiscal policy for 6 months or May/June 2013.

Finance Committee

Mr. Merck reported that the Finance Committee met on 2/12/13 and reviewed/discussed the following:

- The committee met with principals in the firm of Taylor, Lombardi, Hall and Wydra. This firm was selected to assist WCF to make observations and recommendations with regard to organizational structure, staffing, processes and procedures. They are also reviewing the content and formatting of financial reports to the Board. With regard to the practice of spending 50% of the two year budget in the first year, the firm is developing recommendations for an appropriate spending level in that first year of the cycle in alignment with state expenditure policies.
- The committee also met with One America, plan provider for WCF's 403(b) program, which is a defined contribution program, and UBS, the 403(b) plan consultant. The committee reviewed the options of the plan and the fees/charges involved. UBS provided a review of their services and the Finance Committee's oversight and fiduciary responsibilities. Several action items regarding training and workshops for employees were discussed.
- The committee reviewed the Cherry Bekaert audit for 2012 fiscal year, which included comments on prior year findings and progress towards correcting those items. With regard to the outstanding items, most are complete and the few remaining ones are subject to final actions by DEO or the US Department of Labor in reaction to corrective actions WCF has taken. Mr. Merck commended the WCF staff for their accomplishments in correcting prior year findings.
- Ms. Nabors provided a brief overview of the budget issues that will be faced with the Sequestration actions planned at the federal level. WCF will develop various budget scenarios/options in dealing with this eventuality.

Governance Committee

Mr. Brown reported that he met with Ms. Nabors to review and revise the draft WCF By-Laws and at the 2/6/13 meeting the Governance Committee provided some additional input. The committee voted to advance the amended WCF By-Laws to the board to provide notice. It is required that By-Law amendments be published for 30 days prior to adoption and must be passed by a two-thirds vote, at the subsequent board meeting. Mr. Brown reviewed the proposed changes, with the following major proposed changes as follows:

- Business representation shall constitute a minimum of 51% (instead of 60%). 60% pushes the board over the allowed limit of seats under new state legislation.

- Add the following standing committees: Audit, Program, Governance, Youth and Community Engagement.
- Removal of requirement that board members need to be “residents of the State of Florida” (some executives cover more than one state, but also operate here in this region).

- Eliminate voting in absentia.

Mr. Katheder indicated he had some stylistic corrections and will forward to Ms. Nabors.

Dr. Adams expressed a concern about the removal of the board member requirement to be a resident of the State of Florida. Mr. Walter added that the Board should limit the number of board members who are not Florida residents, so it is a limited percent of the board. Mr. Brown replied that the removal of the Florida resident requirement was mainly to allow for exceptions. Mr. Katheder added that the board can limit the practice of accepting non-Florida residents.

Mr. Brown stated the Governance Committee will provide recommendations for new slate of officers for board approval. Once board approves, the new officers will commence serving in their roles effective 7/1/13. Mr. Brown encouraged Board members with interest in serving as officers to contact Ms. Nabors.

Legal Committee

Mr. Katheder provided a status on the CG Commercial issue. Settlement discussions are currently underway. Any settlement agreement will be reviewed and approved by DEO first. This is one of the last legacy claims from the prior administration. Mr. Walter asked where WCF receives funds. Mr. Katheder replied that 100% of funds are federal. Ms. Nabors added that with regard to the software leased from CG Commercial, staff is currently utilizing the software and computers, and customers are receiving the benefits. Mr. Katheder commented that as WCF is a 501(C)3, charity donations are acceptable and diversification of funds will be something that will be explored in the future.

Program Committee

Dr. Shugart reported the Program Committee is focusing to strengthen local dashboard measures and asking staff to concentrate their efforts through 3 lenses:

- 1) Customer relations management/customer satisfaction
- 2) Resources/activities
- 3) Outcomes and impact, return on investment

The committee is giving staff 90 days to revise the dashboard measures and to also prepare a year end trends/metrics summary report.

Three significant program changes include:

- 1) REC – shortened program from 26 to 12 weeks, redesigned intake, matching and training processes
- 2) Employer Services - reorganization of the business services team has resulted in a more robust outreach to employers, which is reflecting positively in the metrics. Employer Worker Training (EWT) activities have improved. The improved relationship building with employers is setting the foundation for employers continuing to hire through WCF services.
- 3) Training – larger increase for WIA funds to training – 1) expanding list of programs to match State list

and 2) removal of timing obstacle for training providers so WCF can expand number of providers.

Action Item

Training Provider Recommendations

Dr. Shugart stated that the Program Committee reviewed and approved the following training providers for full board review and approval:

- AeroStar Training Services – to provide Type Rating training for pilots
- Aviation Institute of Maintenance – to provide aircraft repair and maintenance training
- Centura Institute – to provide medical assistance and practical nursing training
- Florida Medical Prep – to provide phlebotomy technician, patient care/nursing assistant and practical nursing training

Dr. Shugart added that staff is currently screening training providers to make sure they have appropriate licenses and the entity has been in business long enough, which is in accordance with consumer protection law. However, the committee and staff will be developing a more involved process of approving training providers to include quality and performance factors. They will be bringing their recommendations to the full board later in the year. Mr. Katheder asked if there is an issue with a training provider, when can that training provider be terminated? Mr. Neal replied that they would be able to cancel in 30 days.

After further review and discussion, Mr. Brown made a motion to approve the above 4 training providers to the WCF matrix. Mr. Michaels seconded, motion passed.

Youth Committee

Ms. Clements stated that the committee is currently in a data gathering mode. At the 1/3/13 meeting, the Youth Committee directed staff to create a survey to go out to youth services providers in the community. This survey is to help determine where services can be accessed and identify gaps in services. The Youth Committee will meet again on 3/13/13 to discuss where board should focus, how to best leverage funds and promote a pilot year round program for youth in at-risk environments. Ms. Clements indicated that the Youth Committee is made up of board members and stakeholders with expertise in youth programs. Some of these stakeholders are likely to bid on the RFP for year-round program, so conflict of interest protocols will need to be established. Ms. Nabors added that she expects to bring forth procurement recommendations for pilot year-round programs to the full Board this spring.

PRESIDENT'S REPORT

Ms. Nabors provided a report with the below highlights:

- 1) WCF Board Development and Strategic Planning
 - Strategic 5-year plan accepted by Workforce Florida, Inc. (WFI) on 2/21/13
 - WCF presented and provided an update on organizational accountability and compliance to WFI's Finance & Efficiency Council
 - Governance Committee completed by-law amendments and provided draft and 30-day notice at today's board meeting. Included in the by-law amendments is the standing committee: Community Engagement & Outreach Committee.

2) Internal processes and systems

- A-133 audit near completion and financial findings anticipated
- WCF has filed 2009, 2010 & 2011 403(b) benefit plan audits with UDDOL
- Published notice of interest in lease options for Seminole and East Orange County one-stop centers
- WCF senior management team in place
- Training conducted on procurement, contracting and financial policies, communication and leadership, performance measures and job development practices
- Finance technical assistance is currently provided by Taylor, Lombardi, Hall & Wydra

3) WCF programs and performance outcomes

- Welfare Engagement Rate is at 40% as of January 2013
- REC - 2nd track began in January 2013 - total enrollment 440 participants. TEWS company is now employer of record.
- Placing WCF Career Specialists at state colleges and technical schools to enhance scholarship (ITA) partnerships and create greater accessibility for students.
- Participated in the economic incentive package with Metro Orlando EDC that brought the 750 Verizon jobs to Lake Mary

4) Community engagement and outreach

- MOU created with Second Harvest for referral of WCF customers to culinary training program at no cost to WCF
In January 2013, participated in a panel at the Orange County Economic Summit to over 1000 regional stakeholders
- WCF mobile unit services to businesses and job seekers featured in Orlando Sentinel's cover story week of 2/18/13.
- Featured in Orlando Business Journal week of 2/25/13

NEW BUSINESS:

None offered.

UPCOMING MEETINGS:

Mr. Katheder relayed the dates of the next board meeting as indicated below:

- Board of Directors Meeting - April 16, 2013, WCF Osceola Office, 1392 East Vine St., Kissimee, FL 2012

CHAIRS CLOSING REMARKS

Mr. Katheder thanked those in attendance at today's meeting.

There being no further business, the meeting adjourned at 10:23am.

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant