

**Executive Committee Meeting
Conference Call
Friday, March 22, 2013
9:00 a.m.**

MINUTES

MEMBERS PRESENT: Kevin Shaughnessy, Greg Beliveau, Wendy Brandon, Debbie Clements, Bob Brown, Eric Jackson, Thomas Katheder, William F. Merck II, and Eric Ushkowitz

MEMBERS ABSENT: Leland Madsen, Dr. Sanford Shugart and Rick Walsh

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

WELCOME & CHAIR'S REMARKS

Call To Order

Mr. Shaughnessy called the meeting to order at 9:03am and welcomed those in attendance.

Roll Call/Establishment of Quorum

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

Public Comment

None offered.

APPROVAL OF MINUTES FROM PREVIOUS MEETING (2/20/13)

After review of minutes, Mr. Merck made a motion to approve the Minutes from the 2/20/13 Executive Committee Meeting. Mr. Jackson seconded, motion passed.

INFORMATION/DISCUSSION ITEMS:

Mr. Shaughnessy stated that USDOL has agreed to the proposed \$237,000 settlement agreement which will come out of unused administration costs. DEO supports this agreement and is meeting with WCF on a press release with regard to this matter. This is the last item of the \$15M in questioned expenditures. Mr. Shaughnessy complimented the staff for their great help in resolving this matter.

WIA Youth Procurement

Ms. Nabors reported that the Youth Committee met on 3/13/13. The committee reviewed and discussed youth Service Plan for 2013-2014 which consisted of the following:

- Staff's recommendation to launch a youth pilot program entitled *Project CoNEXTion* to occur between now and end of this program year 6/30/13. This pilot program will be supported by unspent funds (approximately \$600,000) from last year's Summer Youth program. These are the unspent wages and benefits of youth who did not complete the summer program.

- Staff's recommendation to issue an RFP (Request for Proposal) for a year-round youth program

(approximately \$2M in funds) which would begin 7/1/13. This year-round youth program will bring WCF into compliance under WIA.

The Youth Committee approved to move forward with the above staff recommendations on *Project CoNEXTion* and the RFP for a year-round youth program, and bring to the Executive Committee for approval.

Ms. Clements, Youth Committee Chair, concurred with Ms. Nabors' report on the Youth Committee's 3/13/13 meeting. The committee had a great discussion and is pleased to advance this plan to Executive Committee's review and approval.

Mr. Shaughnessy made a motion to approve *Project CoNEXTion* pilot program and issuance of RFP for year-round Youth Program. Mr. Merck seconded, motion passed.

Ms. Nabors stated that the kick-off of *Project CoNEXTion*'s boot camp will occur during the week of spring break. Instituting a year-round program vs. a stand-alone summer youth program is a new step for WCF. Parents have been calling about summer youth program and they are being referred to *Project CoNEXTion*.

Mr. Jackson asked if WCF will now be in full compliance with this year-round program. Ms. Nabors replied yes and WCF can begin to achieve regular performance benchmarks under WIA.

Ms. Brandon asked how much in WIA funds were allocated this year. Mr. Alvarez replied \$5.2M

Need for Program Evaluation

At the request of the Executive Committee, Ms. Nabors indicated she did a "360" review of all systems. She brings 2 elements for committee's consideration:

- 1) MIS system for 9 locations is very complicated. For a fair review, technical expertise is needed to see what is working, what needs changing, etc.
- 2) Program service flow for WIA Adult/Dislocated Worker – outside expertise is needed to review and provide targeted recommendations on service delivery, performance requirements, and identification of local measures. This will greatly help ensure WIA services achieve a positive impact.

The cost for either of the above consultants should not exceed \$15,000, but staff still needs to get bids.

Mr. Shaughnessy agreed with Ms. Nabors' above suggestions for quality control checks and that she should get recommendations to make sure best practices and metrics on operations are in place. The committee concurred.

Health Insurance Quotes

Mr. Alvarez referred to the 3-page memo in today's meeting packet. This memo provides a background, plan comparisons, and staff recommendations on the annual renewal of WCF fringe benefits. There are no major increases. Staff is recommending that WCF stay on current medical plan, but tweak the co-pays/office visits and maximum out-of-pocket costs, which will help lower the 15% increase to 8%.

Mr. Merck asked if there is a mandated policy or are employees allowed to opt out. Mr. Alvarez replied that employees are allowed to elect out.

Mr. Merck asked if it is documented when an employee opts out. Ms. Nabors replied that there is a form where staff indicate they are declining coverage and why.

Ms. Nabors stated that a short internal survey was distributed to staff for their input. One of the questions asked was if they would rather see an increase in the premium vs. co-pays/maximum out-of-pocket. Over 80% responded to the survey and the majority of responders were in favor of an increase in co-pays and maximum out-of-pocket vs. substantial increase to premiums.

Mr. Shaughnessy asked what the enrollment rate was. Mr. Alvarez replied that there is 100% employee coverage; employee-only does not have to pay any premium, and that only a few have declined coverage – i.e. opted to go under spouse's coverage.

Mr. Brown commented that not a lot of employers provide 100% medical insurance to employees. Mr. Katheder concurred. Ms. Nabors replied that with the rise in health insurance costs, this could change in future years but WCF would cover 100% for the renewed year. Ms. Brandon asked what other regions in the state are doing. Mr. Alvarez replied that DEO conducted a study on this of all the local regional workforce boards last year – the study indicated that some regions share the cost with employees; however WCF is not the only region that covers 100%.

Mr. Brown made a motion to approve staff recommendation to renew; remaining on current medical plan with amendments to co-pays and out-of-pocket maximum. Mr. Katheder seconded, motion passed.

Mr. Alvarez provided the following staff proposals of the renewals on the other employee benefits:

Dental/Vision – currently on Guardian plan for dental and Humana plan for vision. United Healthcare is offering an incentive to switch to their dental and vision plans, leaving the current rates/co-pays and current plan structure the same. Also, with the dental they will guarantee same rates for 2 years and on vision same rates for 3 years. This would result in an annual cost savings of \$30,000 and reduce percentage increase of WCF's medical plan to 7.4%. Staff recommend to renew the dental and vision plans with United Healthcare. Furthermore, having medical, dental and vision all under one insurance carrier is beneficial.

Life Coverage – staff recommends to renew with its current provider and make no changes.

Flexible Spending Account – staff recommends to add this benefit and select United Healthcare as the provider. Currently, WCF does not offer this benefit. This would be a great benefit addition and minimal cost to the organization.

Business Travel Accident Insurance – staff recommends to select Cigna as an additional life insurance for accidents during business travel. WCF currently does not offer this benefit to employees. WCF operates in five counties and a number of staff travels between offices for business purposes. There would be a minimal cost to provide this additional benefit.

Mr. Shaughnessy commented that this is a great benefit package for employees. He advised that employees be educated on the benefits and the advantages of the flexible spending account, which they should be counseled on levels of pre-tax money to use in the account. Mr. Brown and Mr. Ushkowitz concurred. Mr.

Ushkowitz added that staff should track usage and benefits, and share with the business community to help them understand what a preferred employer does for its employees.

Mr. Beliveau made a motion to approve staff recommendations for the remaining elements of the employee benefits package. Mr. Ushkowitz seconded, motion passed.

Update on By-laws

Mr. Shaughnessy stated that Mr. Katheder provided additional revisions to bring the amended By-laws to a more professional level, while preserving the exact changes that the Governance Committee had recommended. Mr. Katheder concurred that the reorganization and restatements he made to the By-laws did not change the Governance Committee's amendments or direction. He added that this document was inherited from the prior board and contained sentence fragments and cross references that were not accurate. Mr. Brown, Governance Committee Chair, concurred with this. He commended Mr. Katheder for the time and professional job he did, and confirmed that Governance Committee's amendments are intact. Ms. Nabors stated that this current version of the By-laws will be posted on the WCF website and sent out to the entire WCF Board today. As 30 days are needed before the full board can adopt the By-laws, Mr. Shaughnessy indicated that this will need to occur at a Board Meeting after the 4/16/13 Board Meeting.

Legal Committee Report

Mr. Katheder reported that with regard to the CG Commercial, a settlement has been negotiated down from \$260,000 to \$75,000. This is the last of the legacy issues, except for the prior counsel's payment issues.

Mr. Ushkowitz made motion approving Ms. Nabors to sign the negotiated settlement of \$75,000 and send to CG Commercial. Mr. Beliveau seconded, motion passed.

Mr. Katheder provided updates on Mr. Eaves' claims. Mr. Shaughnessy asked board members to forward to Ms. Nabors any emails they receive from Mr. Eaves.

CHAIR'S CLOSING REMARKS

Mr. Shaughnessy thanked all those who attended today's meeting.

There being no other business, the meeting was adjourned at 9:59 a.m.

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant