

FINANCE COMMITTEE TELECONFERENCE

Tuesday, June 9, 2020

MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information / Discussion / Action Items

Other Business

Adjournment

What: Finance Committee Teleconference

When: Tuesday, June 9, 2020
2:30 p.m. – 4:00 p.m.

Where: Teleconference:

Zoom Meeting (remote attendees):

Link: <https://careersourcecf.zoom.us/j/93315959185?pwd=OG1KemQxMm9mSWNKd21jaWZFdVFyQT09>

Dial In: **1 (929) 205-6099 / Meeting ID: 933 15959 185**

FINANCE COMMITTEE TELECONFERENCE AGENDA

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Agenda Item	Topic	Presenter	Action Item
1.	Welcome	Eric Ushkowitz	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes A. 4/8/20 Finance Committee Meeting	Eric Ushkowitz	X
5.	Information / Discussion / Action Items A. 403(b) Retirement Plan: CARES Act Provisions 1, 2, and 3 B. Financial Reports C. Approval of Fiscal Year 20-21 Budget D. Facilities Update	Joe DeBello Chepenik Financial Leo Alvarez Leo Alvarez Matt Walton	 X X X
6.	Other Business		
7.	Adjournment		

UPCOMING MEETINGS

Upcoming Meetings:

Board & Consortium Teleconference	6/25/20	9:00 a.m. - 11:00 a.m.
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WELCOME

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► Roll Call

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ROLL CALL / ESTABLISHMENT OF QUORUM

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► **Public Comment**

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PUBLIC COMMENT

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APPROVAL OF MINUTES



DRAFT
Finance Committee Meeting

Wednesday, April 8, 2020 / 1:00 p.m.

MINUTES

MEMBERS PRESENT: Eric Ushkowitz, Wendy Brandon, Keira des Anges, Nicole Guillet, Daniel Turlington, Matt Walton and Mark Wylie

MEMBERS ABSENT: Glen Casel

STAFF PRESENT: Pam Nabors, Leo Alvarez and Kaz Kasal

GUEST PRESENT: Joe DeBello / Chepenik Financial

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Ushkowitz, Finance Committee Chair, called meeting to order at 1:03 p.m.	
2	Roll Call / Establishment of Quorum Ms. Kasal, Executive Coordinator, reported a quorum present.	
3	Public Comment None Offered.	
4	Action Items <u>Approval of Minutes</u> <ul style="list-style-type: none"> Reviewed draft minutes from 2/11/20 Finance and Audit Joint Committee Meeting 	Mr. Walton made a motion to approve the minutes from the 2/11/20 Finance and Audit Joint Committee Meeting. Ms. Brandon seconded; motion passed unanimously.
5	Information / Discussion / Action Items <u>403(b) Retirement Plan Update</u> <ul style="list-style-type: none"> Joe DeBello with Chepenik Financial provided an update of CSCF's retirement plan (attachment). <ul style="list-style-type: none"> Reviewed Chepenik recommendations on investments to remove/add or watch, as notated on presentation. 	Mr. Walton made a motion to change underperforming investments, as noted by Chepenik Financial (listed below) to CSCF's retirement plan's portfolio. Ms. des Anges seconded, motion passed unanimously. Remove: <ul style="list-style-type: none"> W Invesco Diversified Dividend A W Pioneer Fundamental Growth A



	<ul style="list-style-type: none"> ○ Reviewed the CARES Act Provisions 1, 2, and 3. • Mr. Alvarez, CFO, stated Chepenik presented at the all-staff meeting last week and advised staff the importance to “stay the course” and think long term. The presentation was well received by staff. <p><u>403(b) Plan Audit Results – Fiscal Year Ended 6/30/19</u></p> <ul style="list-style-type: none"> • CSCF received a clean audit with no issues found (attachment). <p><u>Financial Reports</u></p> <ul style="list-style-type: none"> • Reviewed financials through 2/29/20 (attachment). <p><u>Fiscal Year 2020-21 Budget Timeline</u></p> <ul style="list-style-type: none"> • Reviewed proposed budget timeline for FY 20-21 (attachment). <p><u>New Fiscal Year Budget Projections</u></p> <ul style="list-style-type: none"> • Reviewed FY 20-21 preliminary revenue projections (attachment) to include budget comparison FY 20-21 vs. FY 19-20 and additional revenue from DEO in 3rd quarter. Additional federal funds are anticipated due to Coronavirus pandemic. <p><u>Fiscal Year 2020-21 Health Insurance Plan Renewal</u></p> <ul style="list-style-type: none"> • Reviewed on CSCF’s health benefits renewal for FY 2020-2021 (attachment). • Wellness fund will be still offered for new FY. CSCF will continue to improve on wellness activities and events for its staff. 	<ul style="list-style-type: none"> • Goldman Sachs Small Cap Value Svc <p>Add:</p> <ul style="list-style-type: none"> • JP Morgan Equity Income R3 • T. Row Price Blue Chip Growth R • Delaware Small Cap Value A <p>Mr. Walton made a motion to further evaluate Provisions 1 and 2 in 60 days. Mr. Wylie seconded, motion passed unanimously.</p> <p>Ms. des Anges made a motion to recommend for Board’s final approval, the renewal of CIGNA as the benefits carrier for CSCF’s health plan not to exceed 10%, and dental not to exceed 2% of current benefit costs. Mr. Walton seconded;</p>
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		motion passed unanimously.
6	Other Business None offered.	
7	Adjournment <ul style="list-style-type: none"> There being no other business, the meeting was adjourned at 2:17 p.m. 	

Respectfully submitted,

Kaz Kasal
Executive Coordinator

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INFORMATION / DISCUSSION / ACTION ITEMS



Memorandum

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Update of 403b CARES Act Provisions

Date: June 9, 2020

Purpose: To discuss CareerSource Central Florida's 403b retirement plan and further evaluate provisions one and two of the CARES Act.

Background: During the last Finance Committee meeting, held on April 8th, 2020, the committee reviewed the status of 403b plan and had discussions regarding the optional CARES Act Retirement Plan Provisions for Qualified Individuals and the potential impact to 403(b) plan.

- Actions taken during the last committee meeting:
- considered optional CARES
 - Reviewed the optional CARES Act Provisions
 - Reviewed the Definition of Qualified Individuals
 - Reviewed Coronavirus Related Distributions, Expansion to existing Loan limits, & Ability to delay loan repayments
- The Committee voted not to adopt the expanded distribution and loan delay options at the time and agreed to revisit in the next 60 days.

For Committee review, below is the detail of the CARES Act Provisions:

- 1) Coronavirus Related Distribution**
 - a. Up to 100K available for Qualified Individuals
 - b. 10% Early Withdrawal waived on these distributions
 - c. 3 years to repay distribution to plan or; 3 years to pay tax liability to IRS
- 2) Expansion to Loan Limits**
 - a. Doubles loan limits to \$100,000 or 100% of Vested Account Balance
 - b. Only for Qualified Individuals
- 3) Ability to Delay Loan Repayments due in 2020**
 - a. Qualified individuals can delay loan repayments up to 1/1/21
 - i. Interest Accumulates during this delay period

Budget Versus Actual Report

As of 04/30/20

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

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

CareerSource Central Florida
Current Year Budget and 2 yr Expenditure Comparison
As of 04/30/20

	CY	PY	\$	%
Funding Sources	Revenue	Revenue	Difference	Difference
Carry In Funds From FY 18 - 19	6,500,000	11,048,130	(4,548,130)	
FY 19 - 20 Award	26,000,000	26,415,505	(415,505)	
Award Total - Available Funds	32,500,000	37,463,635	(4,963,635)	
LESS planned Carryover For FY 20 - 21	(2,300,000)	(6,263,635)	3,963,635	
Total Available Funds Budgeted	30,200,000	31,200,000	(1,000,000)	-3.2%

	Budget	CY Expenditures	PY Expenditures	\$ Difference	% Difference
Salaries/Benefits	13,855,000	10,699,540	10,410,969	288,571	2.8%
Career & Youth Services	11,200,000	7,844,318	9,574,380	(1,730,062)	-18.1%
Professional Fees	440,000	434,946	421,142	13,803	3.3%
Outreach	450,000	305,342	227,681	77,662	34.1%
Infrastructure/Maintenance & Related Cost	2,700,000	2,234,679	2,174,381	60,298	2.8%
IT Cost/Network Expenses	1,200,000	903,911	770,463	133,448	17.3%
Staff Development & Capacity Building	355,000	245,692	186,992	58,700	31.4%
TOTAL EXPENDITURES	30,200,000	22,668,428	23,766,008	(1,097,580)	-4.6%

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	50.0%	48.7%	54.3%
ADMINISTRATIVE COST %	8.0%	9.1%	9.0%

DRAFT PROPOSED ANNUAL BUDGET: JULY 1, 2020 – JUNE 30, 2021

BUDGET OVERVIEW

	<u>FY 2020/2021</u>	<u>FY 2019/2020</u>	<u>DIFFERENCE</u>	<u>%</u>
Reserves from Prior Year	\$7,500,000	\$6,500,000	\$1,000,000	
Current Allocation	\$24,900,000	\$25,200,000	(\$300,000)	
Diversified Revenue	\$1,600,000	\$800,000	\$800,000	
Available Revenue	\$34,000,000	\$32,500,000	\$1,500,000	
Planned Reserves For FY 20 - 21	(\$2,500,000)	(\$2,300,000)	(\$200,000)	
Total Budget	\$31,500,000	\$30,200,000	\$1,300,000	4.3%

DIVERSIFIED REVENUE

UNRESTRICTED REVENUE

REVENUE		BUDGET
Unrestricted Balance As of May 2020	\$	874,543
Additional Revenue - June 2020	\$	25,000
*Ticket to Work Projected Revenue (Rounded)	\$	300,000
TOTAL PROJECTED REVENUE	\$	1,199,543

EXPENDITURES

Business Service/Community Relations Activities/Incidentals, and Advocacy	\$	130,000
Ticket to Work- Staff and OH Cost (1FTE)	\$	120,000
TOTAL PROJECTED EXPENDITURES	\$	300,000

Earmark \$130K of discretionary funds for activities that align with CSCF's business strategy which are not allowed under grant funding.

PROJECTED BALANCE AT 06/30/20 - (ROUNDED) **\$ 900,000**

RESTRICTED REVENUE

REVENUE		BUDGET
*TOTAL PROJECTED REVENUE	\$	1,300,000

Funding sources include grants, municipalities, business investments and sponsorships

* Diversified Revenue

➤ Ticket to Work Projected Revenue + Total Projected Revenue = \$1,600,000

CSCF BUDGET ALLOCATION: FULL YEAR 2020 – 2021

\$31.5M

Budget Allocations	Budget	% of Expenditure
Talent Solutions - Engage the Talent Pool		
Talent Solution Consultants	9,594,543	
Staff Development (CareerSourcers)	355,000	
Career Seekers Support & Incentives	1,000,000	
Facilities, Maintenance & Related Cost	1,925,874	
Total Talent Solutions - Engage the Talent Pool	13,055,543	41.4%
Talent Solutions – Implement Talent Solutions		
Business Consultants	1,574,211	
Training Investment	10,400,000	
Contracted Services	350,000	
Facilities, Maintenance & Related Cost	332,000	
Total Talent Solutions - Implement Talent Solutions	12,656,211	40.2%
Staff Supporting Operations	3,236,246	10.3%
Strategic Communications	450,000	1.4%
Facilities, Maintenance & Related Cost	462,000	1.5%
G&A External Service Delivery Contracts	440,000	1.4%
IT Cost/Network Expenses	1,200,000	3.8%
TOTAL EXPENDITURES	31,500,000	100.0%

TALENT SOLUTIONS	
\$25,711,754	81.6%

GENERAL & ADMIN COST	
\$5,788,246	18.4%

CSCF BUDGET ALLOCATION: YEAR-OVER-YEAR COMPARISON

Budget Allocations

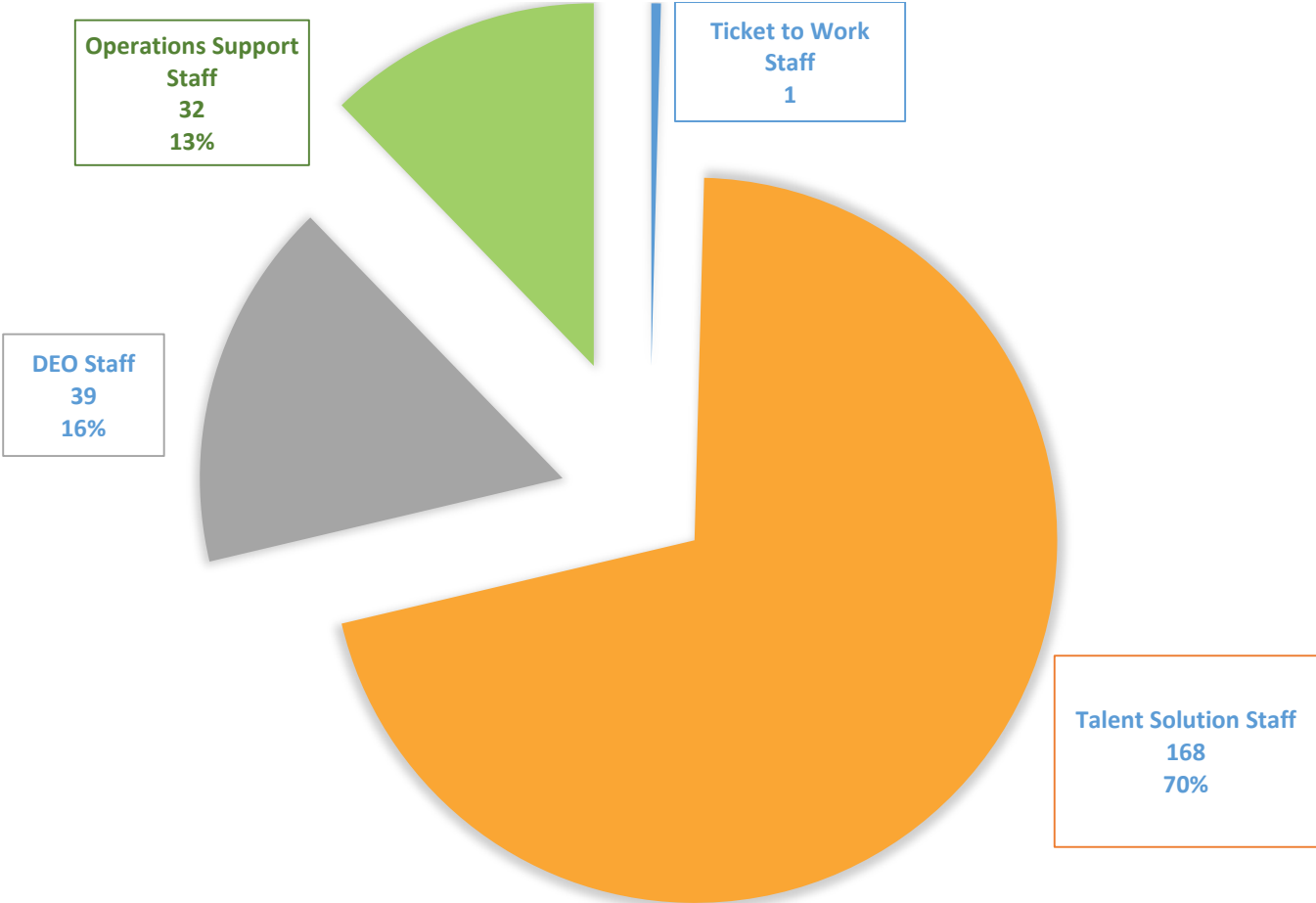
	FY 2020/2021	FY 2019/2020	DIFFERENCE	%
Talent Solutions - Engage the Talent Pool				
Talent Solutions Consultants	9,594,543	9,330,000	264,543	
Staff Development (Career Sourcers)	355,000	355,000	-	
Career Seekers Support & Incentives	1,000,000	500,000	500,000	
Facilities, Maintenance & Related Cost	2,106,000	1,925,874	180,126	
Total Talent Solutions - Engage the Talent Pool	13,055,543	12,110,874	944,669	7.8%
Talent Solutions - Analyze the Business				
Business Consultants	1,574,211	1,545,000	29,211	
Training Investment	10,400,000	10,000,000	400,000	
Contracted Services	350,000	500,000	(150,000)	
Facilities, Maintenance & Related Cost	332,000	369,126	(37,126)	
Total Talent Solutions - Analyze the Business	12,656,211	12,414,126	242,085	2.0%
Staff Supporting Operations	3,236,246	3,180,000	56,246	
Strategic Communications	450,000	450,000	-	
Facilities, Maintenance & Related Cost	462,000	405,000	57,000	
G&A External Service Delivery Contracts	440,000	440,000	-	
IT Cost/Network Expenses	1,200,000	1,200,000	-	
TOTAL EXPENDITURES	31,500,000	30,200,000	1,300,000	4.3%

TALENT SOLUTIONS COST	
FY 2019/2020	FY 2019/2020
\$ 24,125,000	\$ 24,525,000
81.6%	81.2%

GENERAL & ADMIN COST	
FY 2019/2020	FY 2019/2020
\$ 5,375,000	\$ 5,675,000
18.4%	18.8%

CSCF STAFF BREAKDOWN

\$14.4M



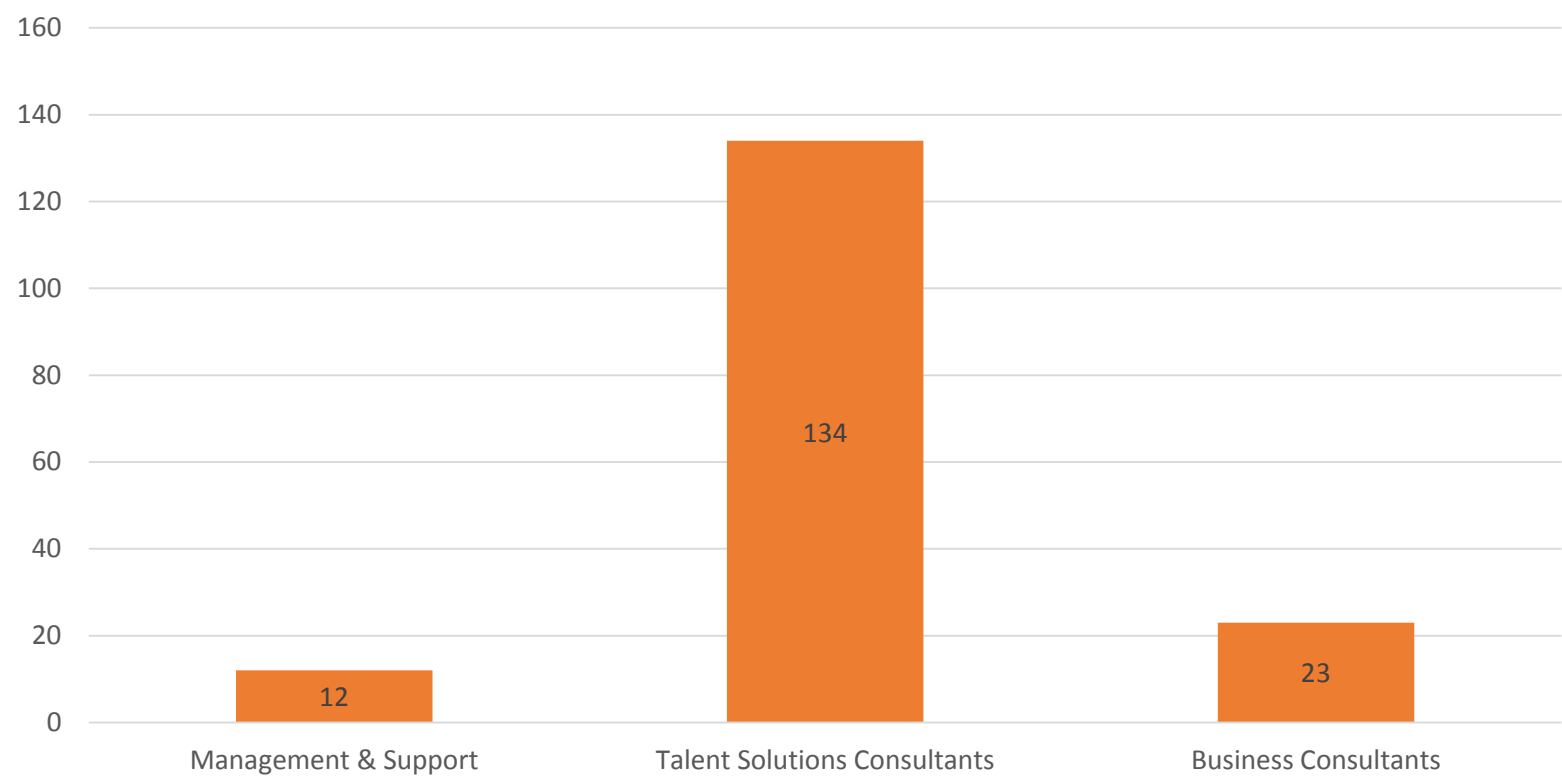
Talent Solution Consultants	\$9.6M
Business Consultants	\$1.6M
Staff Supporting Operations	<u>\$3.2M</u>
Total Staffing Cost	\$14.4M

- Proposed Budget for Salaries Reflects a 3% Merit Increase
- Total Amount Awarded for Merits Will Not Exceed 3% of Salaries
- Merit Increases are Awarded Based Upon Achievement of Annual Performance Goals

CSCF STAFF & SALARY COMPARISON

	<u>FY 2020/2021</u>	<u>FY 2019/2020</u>	<u>FY 2018/2019</u>
TOTAL STAFF	201	195	198
TALENT SOLUTIONS	169	165	169
STAFF SUPPORTING OPERATIONS	32	30	29
DEO	39	39	39
 TOTAL SALARIES	 \$ 14,406,000	 \$ 14,055,000	 \$ 13,378,000
 BUDGET	 \$ 31,500,000	 \$ 30,200,000	 \$ 31,200,000
 % OF SALARIES TO TOTAL BUDGET	 46%	 46%	 43%

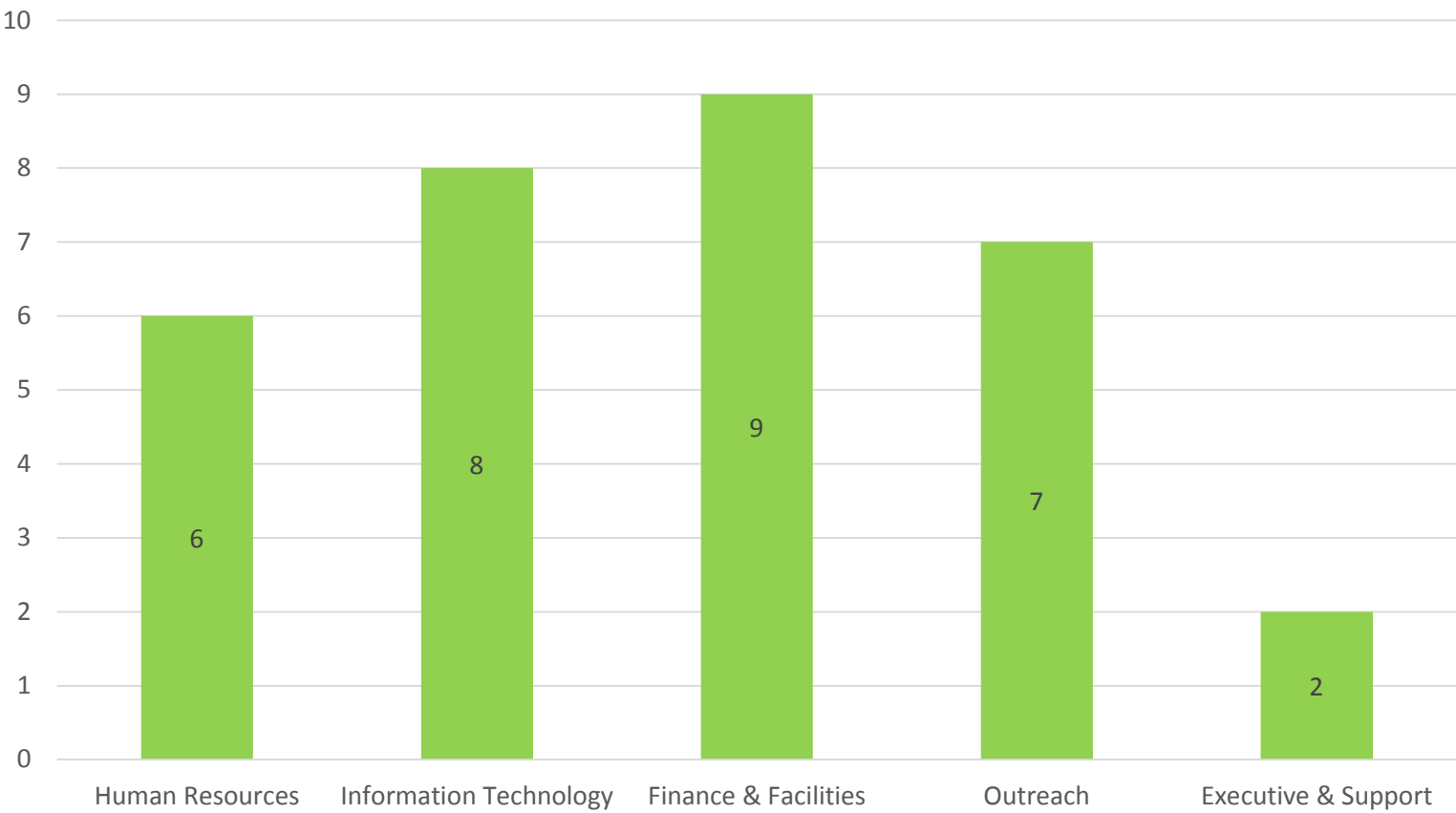
CSCF STAFF BLEND - OPERATIONS



\$11.2M Talent Solutions Delivery
169 FTEs



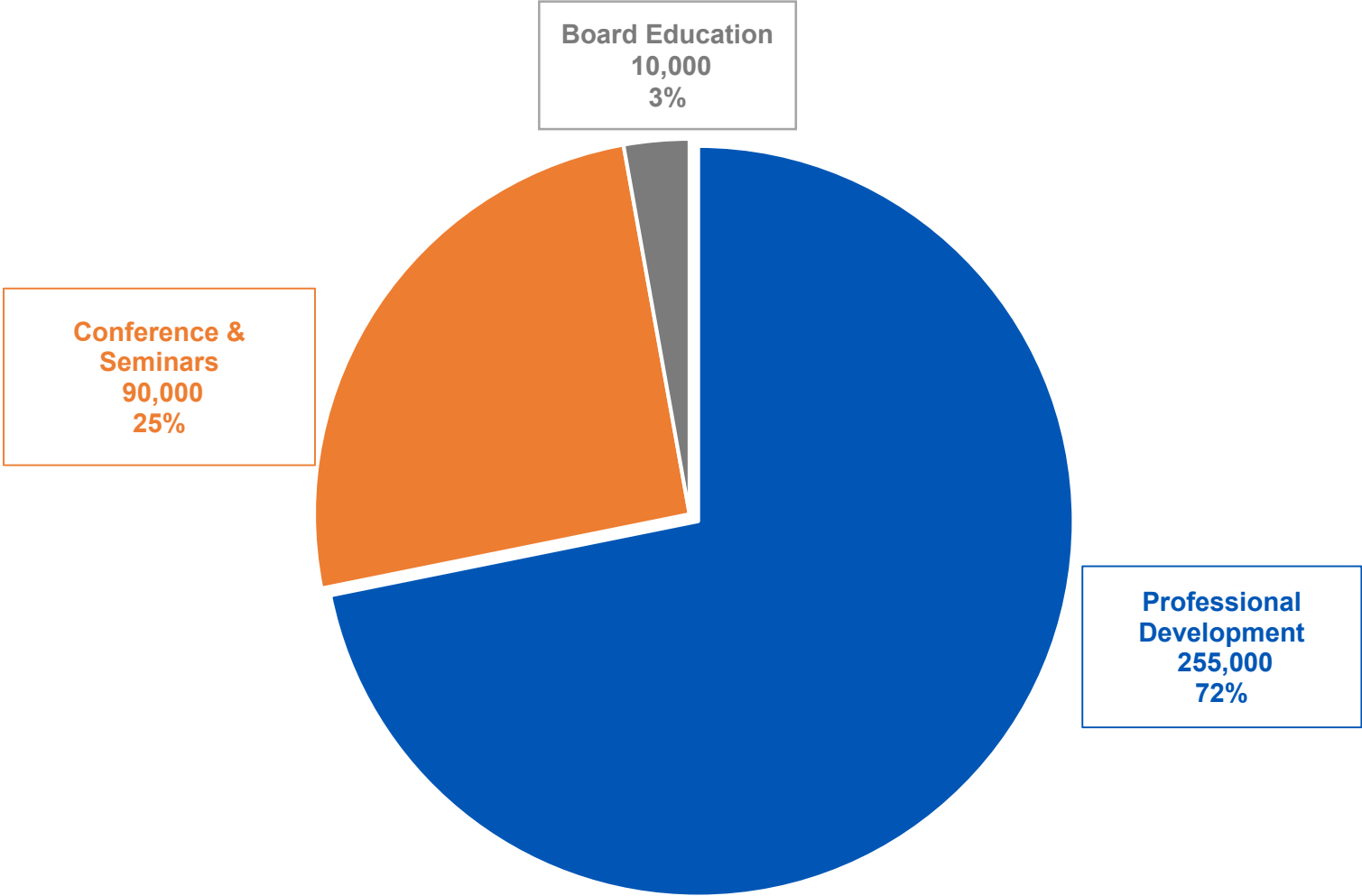
CSCF STAFF BLEND – G&A



\$3.2M General & Administrative
32 FTEs

CSCF STAFF TRAINING & DEVELOPMENT (CAREERSOURCERS)

\$355K



CSCF TRAINING & DEVELOPMENT

Create CareerSourcers Culture

Goal

Align Training & Development Priorities to Key CSCF Values

- Purpose Driven (North Star)
- Innovation (Training)
- Integrity (Trust Creed)

Key Performance Outcomes

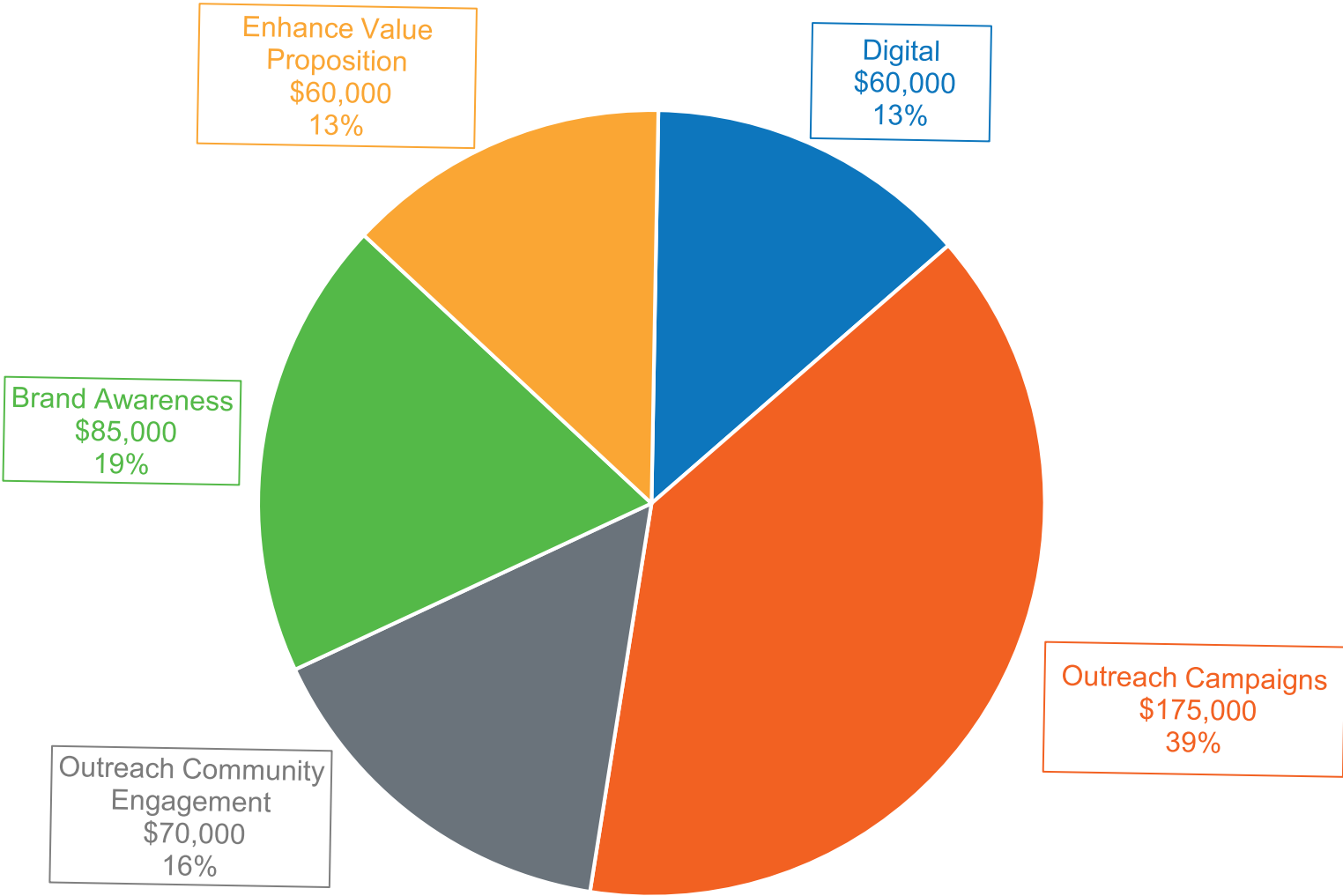
- ✓ Improve Job Performance and Ensure Compliance
- ✓ Talented and Effective Leaders
- ✓ Elevate Emotional Intelligence and Increase Adoption of “CareerSourcer” Attributes
- ✓ Ensure New CSCF Staff are Acclimated into Culture Effectively



Training & Development Priorities

STRATEGIC COMMUNICATIONS BUDGET

\$450K



STRATEGIC COMMUNICATIONS STRATEGY

- **ENGAGE THE TALENT POOL**

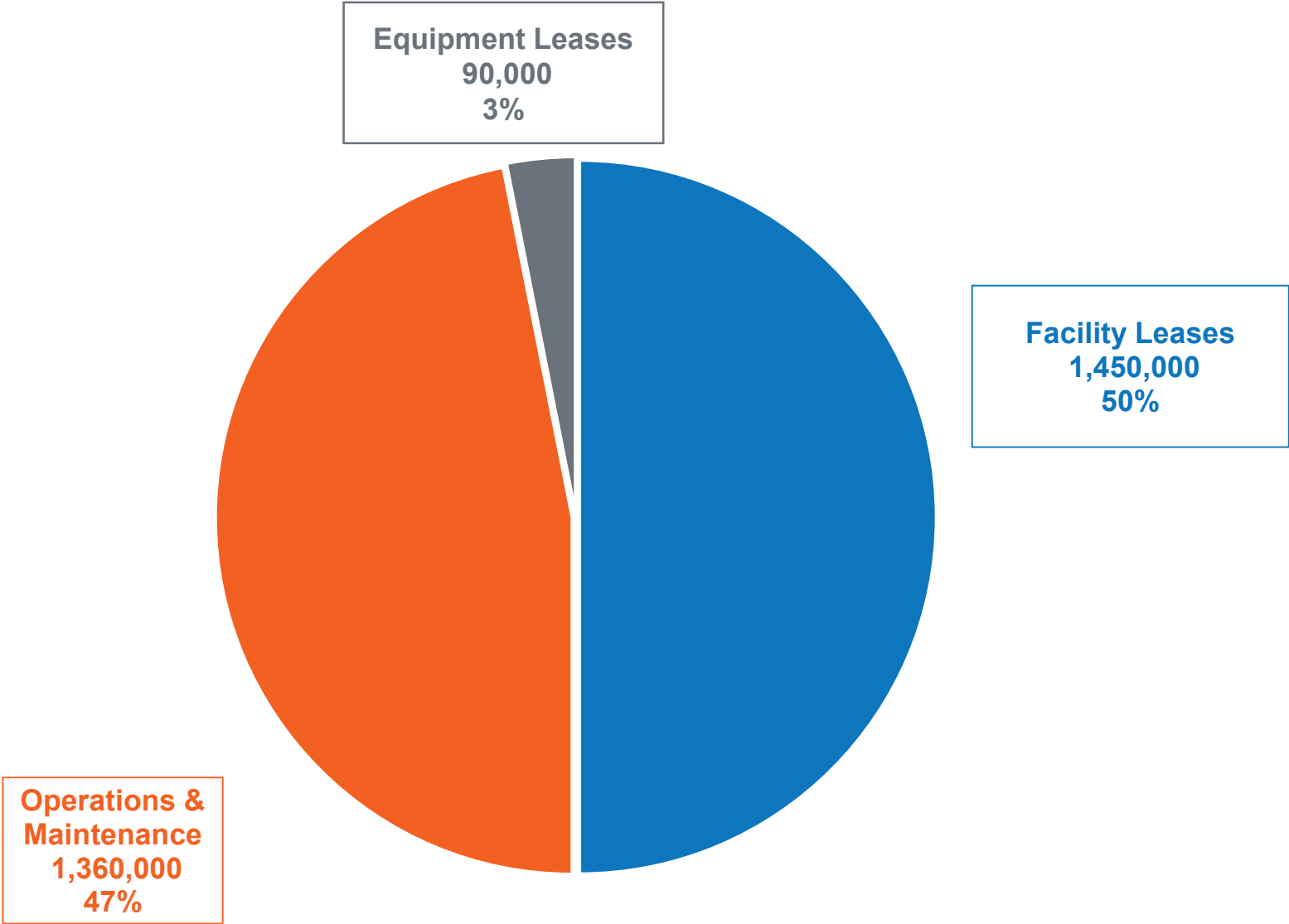
- Drive Awareness and Engagement of CSCF Talent Solutions to Employees and Customers Before, During and After Interactions through:
 - Email Marketing
 - Social Media Engagement
 - Marketing Campaigns
 - Public Relations
 - Internal Communications

- **IMPLEMENT TALENT SOLUTIONS**

- Enhance Customer Journey by Targeting Niche Customers to Drive Relationships More Effectively
- Deliver CSCF Value Proposition Messages Across 5-County Region to Achieve Deeper Customer Loyalty and Satisfaction and Engagement

FACILITIES, MAINTENANCE & RELATED COSTS

\$2.9M



FACILITIES

(1) Lake (Lake Sumter SC)	
Total Square Foot	11,669
Annual Rental Cost	\$159,927
Expiration Date	5/31/2023

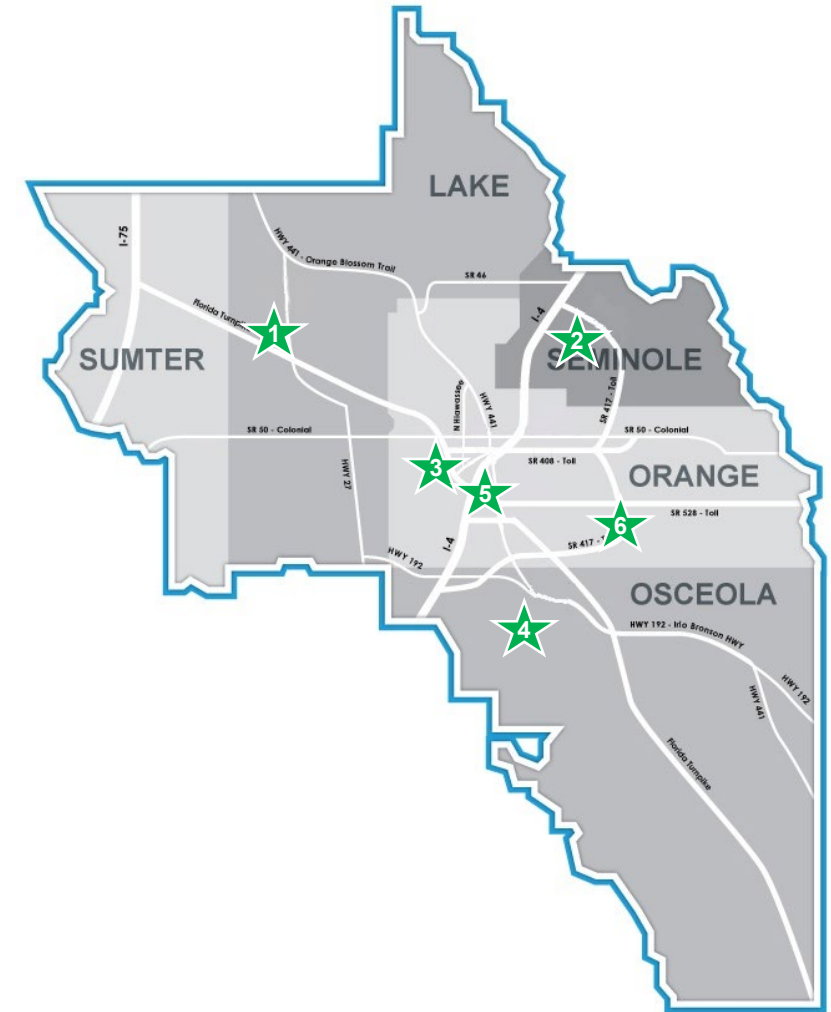
(2) Seminole	
Total Square Foot	10,031
Annual Rental Cost	\$146,796
Expiration Date	4/30/2021

(3) West Orange	
Total Square Foot	12,000
Annual Rental Cost	\$304,692
Expiration Date	07/31/2025

(4) Osceola	
Total Square Foot	12,731
Annual Rental Cost	\$197,334
Expiration Date	12/31/2029

(5) Administration	
Total Square Foot	14,932
Annual Rental Cost	\$331,720
Expiration Date	4/30/2021

(6) Southeast Orange	
Total Square Foot	12,363
Annual Rental Cost	\$218,700
Expiration Date	9/30/2021



Rent / Related cost for maintaining locations represents approximately 9.2% of total rent

G&A CONTRACTED SERVICES

\$440K

Accounting / External Monitoring	\$200K
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- External Financial Audit Fees and Third-party Financial Monitoring

Human Resources	\$140K
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- Benefit Broker Fees, Third-party Payroll Services and Recruitment Tools

Legal	\$50K
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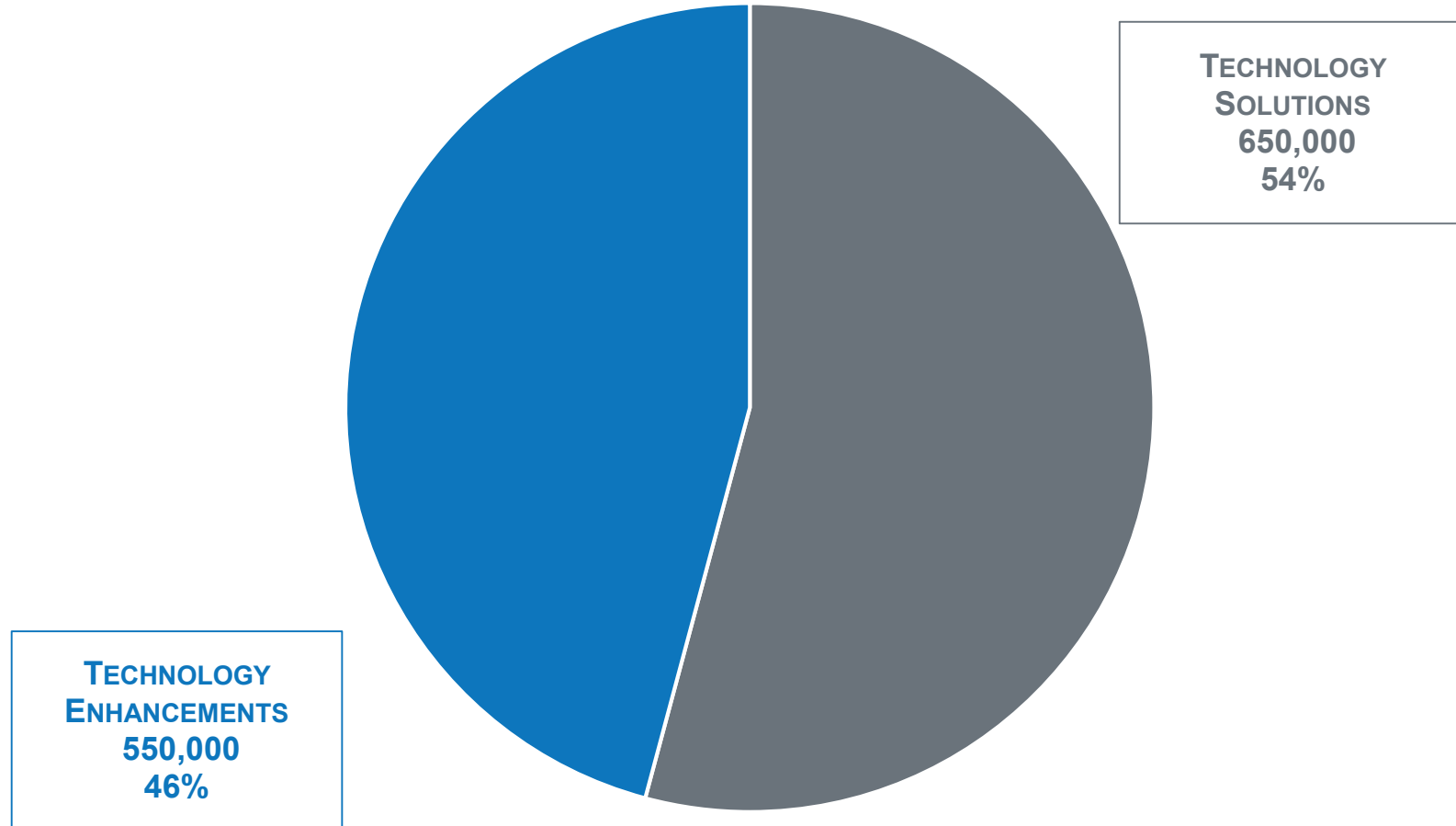
- General Counsel Fees and Employment Law Support

Sterling Application	\$50K
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- Sterling Consulting

INFORMATION TECHNOLOGY COST / NETWORK EXPENSES

\$1.2M



INFORMATION TECHNOLOGY STRATEGY

- **DRIVE BEST-IN-CLASS TECHNOLOGY SOLUTIONS**

- Expand CSCF's Technology Portfolio to Enhance Digital Solutions that Inform and Engage Internal and External Audiences
- Develop and Advance Customer Relationship Management, Human Resource Information Systems, and Enterprise Resource Planning Solutions.
- Improve and Enhance Cloud-based and Mobile Technology Solutions for Virtual Service Delivery

- **DELIVER TECHNOLOGY ENHANCEMENTS**

- Upgrade Computers and mobile devices Utilized at Career Centers to Create New Career Seeker Experiences
- Expand Virtual Communication Platforms for Staff and Customer Use
- Upgrade CSCF Network Infrastructure with Modern High-performing and Secure Platforms to Meet Next Generation Technology Requirements

SUMMARY & BUDGET ASSUMPTIONS

- Fiscal Responsibility
 - Total Funding Revenue \$31.5M; Year-over-Year \$1.3M or 4.3% increase
 - 81.6% Earmarked to Deliver Talent Solutions; 18.4% in General & Administrative
 - The proposed budget for salaries will reflect a 3% merit increase average overall. Merit increases are awarded based upon achievement of annual performance goals.
 - Employee health benefits reflects an increase of 10% of current cost based on market rate, and will not impact employee costs or plan structure for the program year.
 - The total amount budgeted for administrative cost will be to not exceed 9%, lower than the state allowable cap of 10%.
- Future Potential Budget Adjustments
 - CareerSource Central Florida has applied for additional funding in response to COVID19:
 - Orange County Government - \$7M
 - Department of Economic Opportunity - \$5M

[RETURN TO AGENDA](#)





ACTION 2

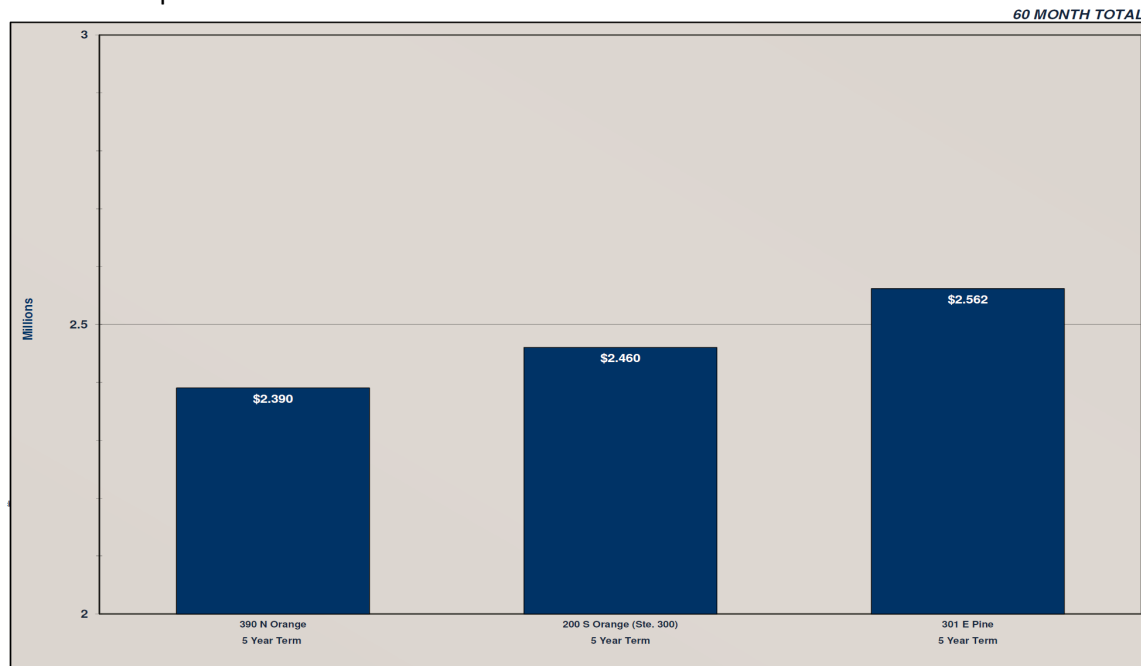
To: Finance Committee
From: Leo Alvarez
Subject: CareerSource Central Florida - Facilities
Date: June 9, 2020

Purpose: CareerSource Central Florida's facility lease for its administrative office expires April 30, 2021. The Facilities Ad-Hoc Committee met on June 2, 2020 and is making a recommendation to the Finance Committee to renew the lease of the administration office based on the lease terms provided:

Background: Administrative office Renewal Terms:

390 North Orange Ave, Orlando
Lease Size: 14,932
Term: 6 Yrs. (05/01/21 to 07/31/25)
Current Rate: \$27.46 per sq./ft. (Full Service Lease)
Annual Rent Escalation: 3%
Rent Concession: 3 Months of free rent
TI Allowance: \$7.00/sf (\$104,524)
Parking: 50 Spaces – 50 Spaces at \$75

Financial Comparison:



Action: The Facilities Ad-Hoc Committee recommends that the Finance Committee approve staff to continue lease negotiations and to renew its administrative office lease prior to the July 31, 2020 renewal notice deadline.

Thank you!

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