

## Finance Committee Meeting

CareerSource Central Florida Office  
390 N Orange Ave., Suite 700  
Orlando, FL 32801

Thursday, November 16, 2017  
2:30 p.m.

### MINUTES

**MEMBERS PRESENT:** Joseph Sarnovsky, Glen Casel, Nicole Guillet, John Pittman, Chuck Todd and Mark Wylie

**MEMBERS ABSENT:** Melanie Cornell

**STAFF PRESENT:** Pam Nabors, Mimi Coenen, Leo Alvarez, Ann Beecham, Robert Quinlan and Kaz Kasal

**GUESTS PRESENT:** Jason Chepenik / Chepenik Financial

Agenda Item	Topic	Action Item / Follow Up Item
<b>Business Matters of the Audit Committee</b>		
1	<b>Welcome</b> Dr. Sarnovsky Finance Committee Member Chair, called the meeting to order at 2:31 pm and welcomed those in attendance.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported that there was a quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> 6/12/17 Finance Committee Meeting.  10/9/17 Joint Meeting of the Audit and Finance Committee Meeting.	<b>Mr. Casel made a motion to approve the minutes from the 6/12/17 Finance Committee Meeting. Mr. Wylie seconded; motion passed unanimously.</b>  <b>Mr. Pittman made a motion to approve the minutes from the 10/9/17 Joint Meeting of Audit and Finance Committees. Mr. Todd seconded; motion passed unanimously.</b>
5	<b>Information/Discussion/Action Items</b>	
	<u>Finance Committee Charter</u> Mr. Alvarez, Chief Financial Officer, referred to the edits (red-lined) on page 2 of the Finance Committee Charter (attachment) and stated that these edits are recommendations from the Finance Committee at their 10/9/17 meeting, as bulleted below: <ul style="list-style-type: none"> <li>• Under “Roles and Responsibilities” – revise 2<sup>nd</sup> bullet by adding “and any interim” so it reads: “Review the</li> </ul>	<b>Mr. Wylie made a motion to approve the edits, as notated, in the Finance Committee Charter. Mr. Pittman seconded; motion passed unanimously.</b>

annual and any interim financial statements of the Corporation, making recommendations for action to the Board as needed.”

- Under “Roles and Responsibilities” – delete 3<sup>rd</sup> bullet as it reiterates the revised 2<sup>nd</sup> bullet.

Dr. Sarnovsky stated that the Board will be updated on the Finance Committee Charter revisions at 12/14/17 Board Meeting as part of the Finance Committee report.

Budget vs. Actual Results as of 9/30/17

Mr. Alvarez referenced the report entitled “Budget vs. Actual Report – as of 9/30/17” (attachment) and stated that 18% of budget was spent through 9/30/17 which is tracking below in expenditures primarily in program services with scholarships and internships. Ms. Coenen, Chief Operating Officer, added: 1) last year about 50% of the training providers did not meet the performance requirements of the 75% completed, 75% placed benchmark, so the number of available training providers shrunk; and 2) CSCF is providing more short-term training (which costs less) vs. long-term training. Based on data, individuals receiving short-term training, gain the skills needed to get into jobs quicker, so more individuals are being placed into jobs with shorter turnaround times. Many individuals in longer term training were not finishing the program. The strategy moving forward is staff are working with training providers to rally quality candidates towards industry-focused training to HGI – especially in readiness for the spring session (January 2018). The CSCF Center Managers will be working with the schools to increase spring enrollments and line up interns, already trained, with businesses. Furthermore, CSCF has also been more effectively coordinating and leveraging resources/funds with individuals who have PELL grants.

Mr. Quinlan, Director of Business and Professional Services, stated that there has been a change in focus this year vs. last year:

- 1) Previously, the focus was for interns to attain work experience vs. getting hired by host employer. This year the intent is for the employer to hire the intern. Employers are allowed 2 interns (vs. 4 interns) for 4 weeks (vs. 8 weeks). If employer hires the intern(s), then they are allow additional interns.
- 2) Staff utilize a matching tool that matches skill sets to get the best, polished candidate to employer. This matching tool shortens the process.

Mr. Quinlan added that two areas that have slowed the process down have been 1) a late start with internships and OJTs (On the Job Training) – started in September 2017, and 2) it has been harder to find candidates for the internships. Businesses are getting more selective with their candidates.

Ms. Coenen stated that at the 11/9/17 Career Services Committee, Dr. Armbruster, with Orange County Public Schools – Tech Centers, proposed a model that works with the schools to develop and find interns and OJTs. Then can replicate this model to other training providers.

Mr. Alvarez also referred to the “Current Year vs. Prior Year Comparison Report – as of 9/30/17” and “PY 17-18 Operations Report – through 10/31/17.” Ms. Coenen reviewed the measures on the “Operations Report.” Dr. Sarnovsky stated that reviewing the “Operations Report” on a quarterly basis will be helpful for the Finance Committee.

Retirement Plan Update

Mr. Chepenik with Chepenik Financial, CSCF’s retirement plan broker, provided a Powerpoint presentation on CSCF’s retirement plan and its current performance and participant activities, noting that overall the plan is doing well and participation rate is at 94.9% which is a 70% increase since March 2016. Mr. Chepenik also stated that during Principal’s annual audit, a mistake was found which occurred during onboarding of the plan, which will result in a credit and fee reduction for every participant on the plan. Mr. Chepenik stated a communication will be released to all plan participants, which he will oversee and coordinate, with regard to Principal’s error and the resulting credit and fee reduction.

Mr. Chepenik proposed adding a high yield corporate and government bond (fixed income, intermediate-term bond) to the plan, recommending “Western Asset Core Plus Bond R.”

Mr. Chepenik also provided an overview of the current market status reviewing following highlights:

- Current U.S. economic expansion is 99 months long, one of the longest in our nation’s history and lowest cumulative total growth of any prior expansionary period – slow and steady growth which is good.

*The Committee will review an update of the “Current Year vs. Prior Year Comparison Report” report at their 2/15/18 meeting and see if any mid-year adjustments need to be made.*

**Mr. Wylie made a motion to approve Chepenik Financial’s recommendation to add “Western Asset Core Plus Bond R” to the CSCF’s retirement plan’s portfolio. Mr. Casel seconded, motion passed unanimously.**

	<ul style="list-style-type: none"> <li>• U.S. economy is currently growing at 3.1%, a high number in comparison to the rest of the developed world, which are at 0-2% growth rates.</li> <li>• Emerging economies of Asia continue to have the highest global growth rates of 4% or higher.</li> </ul> <p><u>Facilities Plan Update</u>          Mr. Alvarez provided an update on Lake Sumter State College's (LSSC) offering of space at their Foundation building for the CSCF Lake County office. Mr. Alvarez stated that LSSC is offering 90% of the space at their Foundation building, which is more than expected. CSCF is having difficulty procuring an architect to review the space for build-out costs – so far only received only two quotes. Mr. Alvarez stated that Ms. Nabors has a phone conference with Dr. Sidor and Dr. Bigard to discuss architect fees. The LSSC Board is open to this partnership with CSCF. Mr. Wylie suggested CSCF also look into the “design/build” option where the contractor brings in and takes responsibility for the architect.</p>	<p><i>Mr. Alvarez stated that staff should have an action item on build-out costs ready at the 2/15/17 Finance Committee meeting.</i></p>
6	<p><b>Other Business</b>          Dr. Sarnovsky announced he will be retiring from Seminole State College on 2/2/18 and is working with Ms. Nabors on his transition with the CSCF Board.</p>	
7	<p><b>Adjournment</b>          There being no other business, the meeting was adjourned at 3:55 p.m.</p>	

Respectfully submitted,

Kaz Kasal  
 Executive Coordinator