

**Finance & Operations Committee Meeting
Thursday, June 13, 2019**

MINUTES

I. Call to order

The meeting was called to order at 10:03 a.m. by Ms. Lois Hilton, Chair. Ms. Hilton inquired if any Requests for Public Comment had been made and was advised that none had been received.

II. Introductions

Roll was called to identify/confirm all participants phoning in. Committee members, staff, and others present were identified (see end of meeting minutes for attendees).

III. Topics

A. Presentation/discussion of:

1. Financial Reports

Referring to the 2018-19 Expenditure Report, Donna Doubleday reported 2 notables.

- YTD there is a 9.58 % excess for the ITA expenditure requirement
- YTD there is a 4.40 % excess for the Youth Work Experience requirement

No expenditure concerns or questions were noted.

B. Action Items:

1. Board of Directors Ethics and Transparency Expectations

State requirements mandate Board members to be informed of ethics and transparency expectations to ensure effectiveness, efficiency, and the fulfillment of oversight in their strategic planning roles as Board members. The CareerSource Heartland Board of Directors Ethics and Transparency Expectations were presented. No questions or concerns were noted.

- A motion was made by Mary Dow to approve the Board Ethics and Transparency Expectations for later review at the June 19, 2019 Board meeting for the statement's inclusion in the Board Member Resource Guide.
- Motion seconded by Dr. Thomas Leitzel.
- Motion carried.

2. CareerSource Heartland FY 19-20 Budget

Ms. Doubleday stated the proposed budget is as presented and explained that the largest request is for an increase in personnel costs. This represents the addition of two positions plus wage increases for staff. (Also includes last year's additions of Quality Assurance and Business Services Assistant positions, to assist with monitoring and data- entry and follow-up of job orders, respectively.)

The positions are:

- Sector Strategies Program Manager – Although the staffing grant is coming to an end, the staff member is doing a great job. CSH would like to retain, and expand, her duties.

- Career Specialist – CSH serves a challenging population requiring additional labor-intensive activities to find and match skilled individuals for open positions.

The positions and wage increases total approximately \$116,700 (about \$41,450 for increases and \$75,200 for the positions). The remaining amount reflects projected benefit costs.

CSH had a 22% turnover rate last year. Although, in many cases, there were extenuating circumstances leading to resignations, all reported accepting positions with higher wages.

Labor Market information was reviewed for each CSH position, and adjustments were made to the entry level salary base for each pay grade of the CSH Position matrix. Even with these adjustments, only one position will be at the entry level wage rate suggested. All other positions will continue to be below market survey rates.

The concept was presented individually to CSH Executive Committee members who posed the following questions.

- Can we guarantee we can support this next year and moving forward? Because of the nature of CSH funding, this cannot be guaranteed. CSH funding is allocated annually and is always in contention at the federal level. Over the past two years, CSH has been awarded 1.4 million dollars in performance funding and is poised to be awarded approximately two hundred fifty thousand dollars in incentive funding for the 2017-2018 program year. These funds extend the life of annual allocations. Current allocations suggest this is maintainable for the near future.
- What is the % increase anticipated for each employee? This is difficult to answer since it depends on each employee's position as well as their length of service.

The percentage of rate increase for the entry base for each pay grade level varies from 2.6% to 14%. The 14% is to the entry level base for CIO, CFO, & CPO positions, with that base going from \$52,500 to \$60,000.

The 2.6% is for the Customer Service Representative position in Highlands, taking the base from \$23,100 to \$23,700. There is only one person in that position. The hourly rate for that position falls within the going rates for similar positions locally and throughout the state.

The average increase for staff calculates to 5.96%. Three individuals will receive 2.5%, because they are already earning at or over the amount indicated by the matrix, primarily due to years of service.

- What is the % increase for the CEO position? The base salary for the CEO position goes from \$73,500 to \$80,000, representing an 8% increase on the matrix. Following the matrix, the actual impact results in a 5.7% increase for the CEO from \$92,400 to \$98,000.

Ms. Hilton asked the committee for any additional questions or comments.

Dr. Leitzel commented that all organizations are facing the same issues. He expressed appreciation for the detail offered, and added positive comments concerning the rationale presented and the actions being proposed.

Mr. Royal reminded the committee that there were several years where no wage increases were offered, putting the organization behind the curve, and it has been difficult trying to catch up. He stated CSH staff is in the business of finding people jobs, so that may impact retention, but added it is important for CSH to have a competitive salary structure to attract and retain qualified staff.

- A motion was made by David Royal to approve the 2019-20 proposed budget for recommendation at the June 19, 2019 Board meeting.
- Motion seconded by Dr. Thomas Leitzel.
- Motion carried.

3. Consider Waiver Request of 50% ITA Expenditure Requirement

At least 50% of the Title I funds for Adults and Dislocated Workers passed through to Local Workforce Development Boards must be allocated to Individual Training Accounts unless the LWDB obtains a waiver from CareerSource Florida (CSF). In July 2012, state law reduced and limited allowable expenditures under this category but gave CareerSource Florida (CSF) the authority to grant LWDBs the ability to apply for a waiver from the requirement. CSH is not able to meet the 50% expenditure requirement due to overhead costs combined with the inability to charge previously allowable items and activities as training expenses.

Historically, CareerSource Heartland has applied for, and received, a waiver requiring a minimum of 30% ITA expenditure rate. Not including additional end-of-year invoices, as of April 30 CSH was sitting at a 39.58% ITA expenditure rate. CSH expects to meet the 30% requirement without issue.

Staff recommendation is to request a waiver of 30%.

- A motion was made by Mary Dow to recommend CSH request a 30% ITA Expenditure Rate Waiver for PY 2019-20.
- Motion seconded by Dan Graham.
- Motion carried.

4. Review DEO Programmatic Monitoring Report

The Department of Economic Opportunity (DEO) completed their annual programmatic and one-stop monitoring of CSH during the week of December 10-14, 2018. The final report was received May 7. A corrective action plan with detailed responses was sent to DEO. However, a reply is yet to be received.

Donna Doubleday explained that some deficiencies were found in case file documentation requirements and operational/system practice. Specifically, Ms. Doubleday provided an example regarding job candidate referrals made who did not fully meet all required credentials explaining that, often, employers still want to evaluate referrals for candidates that meet many, although not all, credential requirements. To help resolve this, CSH staff are working with employers to list credentials, as appropriate, as “preferred” rather than “required.”

In the meantime, Ms. Doubleday explained that staff have been documenting instances where candidates not fully satisfying all listed credentials were still referred for employer consideration.

Dr. Leitzel and committee chair, Lois Hilton, responded that they were pleased by the correction action already underway by CSH.

- A motion was made by Dr. Thomas Leitzel to acknowledge the presentation of DEO’s Programmatic and One-Stop Monitoring Report including staff response for later review at the June 19, 2019 Board meeting.
- Motion seconded by Mary Dow.
- Motion carried.

C. Info Items:

No additional info items were presented.

D. Review of President/CEO credit card charges:

There was 1 charge noted:

1. One overnight stay on 5/22/19 for both Ann Martin (Chief Programs Officer) and Donna Doubleday (President/CEO) at the Hammock Beach Resort in Palm Coast for the attendance to the CSF Board and other meetings totaling \$399.18.

I. Other

Ms. Doubleday thanked committee members for their participation and support.
There were no other matters brought before the committee.

II. Adjourn

Committee Chair Lois Hilton adjourned the meeting at 10:29 a.m.

Committee members present and participating: Mary Dow, Dan Graham, Lois Hilton, David Royal, and Donald Samuels, and Thomas Leitzel

Committee members absent: Vanessa Hernandez

Public attendance: None

CSH staff present: Donna Doubleday, Sheryl Elliott, Ann Martin, and Brian Mercurio