

## CareerSource Pinellas Finance Committee Minutes

Date: December 18, 2019 - 10:00 A.M.

Location: 13805 58<sup>th</sup> Street North, Clearwater, 33760

### Call to Order

Acting Committee Chair, Barclay Harless called the meeting to order at 9:59 am. There was a quorum present with the following members participating.

### Committee Members in attendance

Manny Bhuller (phone), David Fetkenher (phone), Barclay Harless, Jack Geller (phone), Scott Wagman, Amy Van Ness (phone), William Law (phone)

### Committee Members Absent

None

### Staff Present

Jennifer Brackney, Steven Meier, René Davisson, Cindy Hockridge, Mary Jo Schmick.

### Action Items

#### Action Item 1 – Approval of Minutes

The minutes of October 30, 2019, Finance Committee Meeting were presented for approval.

Motion:	Jack Geller
Second:	David Fetkenher

*The minutes were approved as presented. The motion carried unanimously. There was no further discussion.*

#### Action Item 2 – Proceeds from the Sale of the Science Center

CareerSource Pinellas closed on the sale of the Science Center on November 20, 2019. Net proceeds in the amount of \$2,461,659.07 were received on that day. After expenses, proceeds available are estimated to approximately \$2,375,000.00.

Motion:	Scott Wagman
Second:	Jack Geller

*Recommendation: Designate the net proceeds from the sale of the Science Center as unrestricted subject to the reduction of expenses related to the sale and closing, and pending the completion of the DOL compliance review.*

*Discussion: The Money Market Account will be broken down for reporting with a second line item. The committee would like to find out the interest rate on a second Money Market Account.*

*The motion carried unanimously. There was no further discussion.*

#### Action Item 3 – Release of Capital Improvement Funds to Unrestricted

On October 30, 2015, the CareerSource Pinellas Finance Committee approved a modification to the Organization's Fixed Asset Policy. One aspect of this modification was the implementation of a capital improvement account.

The capital improvement account was maintained within the general fund. The account was designated to track cash value for capital improvements to buildings as they became necessary. The capital improvement account balance as of November 30, 2019 is \$176,159.16.

Motion:	Scott Wagman
Second:	David Fetkenher

*Recommendation: Release the remaining \$176,159.16 in the Capital Improvement Fund as of 11-20-2019 to Unrestricted. The motion carried unanimously. There was no further discussion.*

*Discussion: Add a line item to signify where the money came from.*

**Discussion Item 4 – Cybersecurity**

As a result of the malware incident, it was recommended that CSPIN procure Cybersecurity services to provide a full spectrum of cybersecurity consulting services to help plan, implement and maintain governance and/or compliance, assess security posture and train staff to create a culture of security.

The scope of engagement includes:

- 1) Cybersecurity Policy Review and Development
- 2) External/Internal Vulnerability & Security Controls Assessment
- 3) Network Penetration Test
- 4) 24/7 Cyber Lorica SIEM/SOC Monitoring
- 5) Managed Cybersecurity Awareness Training.

On November 20, 2019, the Board approved the issuance of an RFQ for Cybersecurity services. CSPIN issued an RFQ, received and reviewed seven (7) proposals, which included provision for 24/7 monitoring.

Upon proposal review, CSPIN’s current vendor (post cyber-attack), Abacode, has demonstrated the competitive ability to deliver the most comprehensive solution and has performed well to date.

A representative from Abacode will be scheduled for January’s Board Meeting to present an update and answer questions on the services listed on Attachment A.

In the short term, the 24/7 monitoring is the most critical protective measure. The contract services for monthly monitoring were scheduled to expire on Friday, December 13, 2019. These are not offered on a month-to-month renewal basis, only on a one (1) year contract.

*Vendor Selection for 24/7 Cybersecurity Monitoring:*

*To ensure continuous services for CSPIN’s 24/7 cyber monitoring platform, Abacode was selected as the vendor to offer 24/7 Cyber Lorica SIEM/SOC Monitoring for a one-year period at the cost of \$5,050/month.*

*The remaining one-time IT services will be put on the January 15, 2020 Board Meeting Agenda for discussion.*

**Other Administrative Matters**

None

**Information Item 1- Statement of Activities: Current Year vs. Prior Year**

A statement of activities report was included in the packet, which compared the revenues and expenditures of the current program year to the previous program year. There was a variance of over \$698,000 in the total grant revenue. Additionally, total expenditures is up \$120,000. Overall, the net revenue under expenditures is up \$669,000.

**Information Item 2 – Statement of Activities: Current Year vs. Budget**

A statement of activities report was included in the packet, which compared current year-to-date revenues and expenditures to the planned budget. Actual revenues YTD were \$3.44 million, which is roughly \$186,000 less than the budgeted amount. The remaining budgeted revenue is \$7.5 million. Actual expenditures YTD were \$3.46 million, which is roughly \$290,000 less than the budgeted amount. Remaining budgeted expenditures are \$7.46 million.

**Information Item 3 – Cost Allocation/Expenditure Report for PE 10.31.19**

A cost allocation/expenditure report was provided in the packet. For the four months ending October 31<sup>th</sup>, 2019, CareerSource Pinellas has expended 31.7% of its budget. WIOA, Employment Services, WTP and SNAP are about 1/3 of the way through their spending and in good shape. TAA (Trade Assistance) is not formulated-driven. It is a cost reimbursement contract.

**Information Item 4 – Pooled Cost Expenditure Report for PE 10.31.19**

A pooled cost expenditure report was provided in the packet. For the three months ended October 31<sup>th</sup>, 2019, total expenses were \$1.1 million.

**Information Item 5 – Grants Status Report**

A grant status report was provided in the packet, as of 10/31/19. Some new categories were added, showing 33% through the fiscal year, original budget, budget modification, 2019/2020 spending, unexpended funds and percentage spent. The program matrix at the bottom shows what we are required to meet. WIOA Youth-we are required to spend 75%; we are spending 96%, PWE-we are required to spend 20%; we are spending 17%. Adult and Dislocated Worker-we are required to spend 30%; we are exceeding this spending at 70% and 56%. Over the next 6 months, the focus will be on paid work experience for youth.

**Information Item 6– Indirect Cost Rate Proposal Status**

CareerSource Pinellas has elected to charge a de minimis rate of 10% of modified total direct costs. However, most Workforce Boards have an indirect cost rate instead of a de minimus and typically indirect cost rate proposals are submitted to DEO for approval.

Since CareerSource Pinellas has direct grants with a Federal agency (Youthbuild grants), we are required to submit an indirect cost rate request to the Federal Agency from that which we receive the most funds (USDOL). This is known as the Federal Cognizant Agency. Accordingly, we submitted an indirect cost rate proposal to the Department of Labor (DOL) on November 1, 2019.

Based upon the preliminary 2018-2019 financial statements, the calculated indirect cost rate is 16.49% of Modified Total Direct Costs. USDOL sent some follow up questions relating to the proposal on Friday, December 6, 2019. We submitted our responses the week of December 9, 2019.

CareerSource Pinellas anticipates receiving a provisional rate soon. Once the audited financial statements are finalized, CareerSource Pinellas will submit the final submission to the USDOL. We do not anticipate any significant changes based upon the audited financial statements.

**Public Comments**

None.

**Open Discussion**

- There was clarification about getting some reporting on our actual tracking vs one-time items that were not budgeted for but impact this years' budget.
- Moving into our Strategic Planning process in January. Will be reaching out to Board Members. It will be a 3-day activity.
- Working on Local Workforce Development Plan & Employer Work Groups focused on center strategies - Not hosting the Workforce Summit event.
- New team members: René Davisson, Director of Administrative Services, Cindy Hockridge, Administrative Assistant and Mary Jo Schmick, Special Projects Director.

**Adjournment**

The meeting was adjourned at approximately 10:55 am.