

**CareerSource Pinellas
Finance Committee Minutes**

Date: August 26, 2020 - 10:00 A.M.
Location: Virtual Zoom Meeting

Call to Order

Committee Chair, Dr. Rebecca Sarlo called the meeting to order at 10:00 am. There was a quorum present with the following members participating.

Committee Members in attendance

Manny Bhuller, David Fetkenher, Jack Geller, Barclay Harless, Rebecca Sarlo

Committee Members Absent

Amy Van Ness

Staff Present

Jennifer Brackney, Steven Meier, Cindy Hockridge.

Guests

John Cash, HUB International

Action Items

Action Item 1 – Approval of Minutes

The minutes of June 24, 2020, 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 – FY 2020-2021: Budget Modification No. 1

Revenue: Total budgeted revenues estimated to increase from \$9,859,371 to \$12,167,795 for an overall increase of \$2,308,424. **Workforce Innovation and Opportunity Act (WIOA) Programs (Total increase of \$110,458):** Final allocation decreased \$232,000 from preliminary allocations. Increased WIOA Adult \$20,907. Decrease in WIOA Dislocated Worker \$253,526. Decreased WIOA Youth \$199,284. Increased WIOA Supplemental Grant \$138,000 and SFY 19-20 Performance Incentives \$32,000. Increase for Apprenticeship Expansion \$6,000 and WIOA Soft Skills Grant \$20,000. COVID 19 Grants \$325,000. Increase in WIOA Foundation Skills Grant \$20,833.

Welfare Transition: Increased carry forward from 2019-2020; received DEO approval to utilize funds for upgrade of IT equipment (Total increase of \$180,000). **Equipment Services:** Increased RESEA (\$18,000) due to additional funds received from DEO on grant scheduled to end on July 31, 2020. **Pinellas County CARES Grant:** finalizing grant with Pinellas County for \$2,000,000 to administer CARES funds and assist dislocated workers in Pinellas County impacted by COVID 19.

Expenses: Total budgeted expenses estimated to increase from \$9,746,764 to \$12,055,188 for an overall increase of \$2,308,424. **Personnel Expenses:** Expected to decrease \$372,000 or 8.3% from original budget. **Program Expenses:** Workforce Services increases \$211,750, Paid-Work Experience decreasing \$48,000, Dislocated Worker Grant almost \$1,500,000 to be paid as salaries, benefits, incentives and expenses, Apprenticeships increasing \$4,000, Increased training and training related material - \$871,000. **Professional Fees:** Contract labor increased \$80,000. **Office Supplies:** Increased in personal protective equipment. **Insurance:** Final renewal premiums for 20-21 came lower than originally budgeted. **Occupancy:** Decreased Security \$50,094, decreased office rent/lease. **Office Equipment:** Approval from DEO for IT upgrades for servers, Office 365, workstations, other hardware to be charged to WTG.

Recommendation: Approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets.

Discussion: Ms. Brackney explained the Pinellas County CARES Grant ends December 31, 2020. CareerSource is working with a staffing agency, approved by the state, to help manage the project and ensure success of the program.

Motion:	Jack Geller
Second:	David Fetkenher

The Finance Committee made a motion for approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets. The motion carried unanimously.

Other Administrative Matters

Information Item 1- Statement of Activities: Statement of Federal Grant Revenue and Current Year vs. Prior Year

A Statement of Federal Grant Revenue for year ended June 30, 2020 was included. Total WIOA for 2020 is \$5,160,616. Total Employment Services for 2020 is \$1,166,605. Total SNAP for 2020 is \$334,305. Total WT for 2020 is \$2,246,235. Total Trade Assistance Adjustment for 2020 is \$138,608. Total DEO is \$9,046,370. Total Youthbuild is \$395,045. Total Federal Grant Revenue is \$9,441,414.

A statement of activities comparing current year activity with prior year activity was included in the packet. Highlighted items: The surplus for the year end is \$585,000, a gain from the Science Center of \$689,000. Ticket to Work Revenue was up \$25,000. Expenses were up \$55,000, Personnel expenses are down \$575,000, Program expenses are up \$919,000, Training is up considerably, Professional fees, Supplies, Insurance and Occupancy, and travel are all down, Office equipment is up.

Information Item 2 – Statement of Activities: YTD vs. Budget Mod 2

A statement of activities comparing year to date activity vs budget mod 2 was included in the packet. We are only \$11,000 off from what we estimated. Spending was under budget due to COVID. Personnel and Program Expenses are favorable. WIOA Youth Spending was a focus the last few months and we met the 20% goal and spent the grant funds by June 30. Professional fees and travel and meetings were favorable.

Information Item 3 – Cost Allocation/Expenditure Report for PE 6.30.20

A cost allocation/expenditure report was provided in the packet for the year ended June 30, 2020. WIOA made up half of our spending at \$5.3 million, followed by Welfare Transition at \$2.4 million and training and support made up over \$3 million of our direct spending.

Information Item 4 – Pooled Cost Expenditure Report for PE 6.30.20

A pooled cost expenditure report was provided in the packet for the year ended June 30, 2020. Salary and benefits made up the biggest expense of the pooled cost at \$778,000, followed by Contract IT Services of \$281,000.

Information Item 5 – Grants Status Report

A grant status report was provided in the packet for the end of year.

Information Item 6 – 401K Change of Fund Managers

Cash & Associates/HUB International was named broker of record of our 401K Plan in March 2020. As part of their duties as broker for the 401K Savings Plan, they performed their initial review of our current plan. They specifically:

- Benchmarked the funds offered in current plan against other company offerings
- Reviewed fees and services of the current plan and compared them against industry averages

They found that expenses charged by our current 401K Fund Manager, ADP Retirement Services, were considerably higher than found within the industry.

Company	Total Plan Expenses
ADP (Incumbent)	1.47%
John Hancock	0.97%

One America	1.13%
Voya	1.15%
Empower	1.17%
T-Rowe	1.24%

In addition, they found that the funds offered by ADP were generally rated lower than the funds offered by the other companies analyzed for funds in the same investment classes. Fiduciaries are responsible to act solely in the interest of the participants and their beneficiaries.

Staff is recommending that ADP Retirement Services be replaced by either John Hancock or One America as the investment platform for the CareerSource Pinellas 401K Plan.

John Cash was in attendance and went through an overview of his findings, the fee comparison, and total cost analysis report.

Information Item 7 – Asset Depreciation Reimbursement

In 2017, CareerSource Pinellas purchased signage and completed a buildout of the Career Resource Center at the Science Center with Wagner-Peyser and Welfare Transition funds. DEO approved the utilization of these funds for these assets. These assets were depreciated using the straight-line basis of depreciation over 5-years and 10-years, respectively. These assets were included in the sale of the Science Center in November 2019 and each had a remaining book value (not fully depreciated).

Asset	Net Book Value
Resource Center Buildout	\$3,358
Signage	\$24,696
Total	\$28,054

Because these assets were paid with federal grant dollars, were disposed by CareerSource Pinellas and were not fully depreciated, CareerSource Pinellas is required to reimburse the Federal agency, via DEO, per 2 CFR §200.313 for the net book value of the assets. Since these assets were sold as part of the Science Center and proceeds from the Science Center were set aside, the amount reimbursed to DEO will reduce the funds set aside. The amount of \$28,054 was dispersed from the proceeds, bringing this account to \$2,365,014.

Public Comments - None

Open Discussion - None

Adjournment

The meeting was adjourned at approximately 10:53 am.