

**CareerSource Pinellas
Special Board of Directors Minutes**

Date: Friday, April 8, 2022, at 9:00 am.

Location: *Virtual Zoom

Call to Order

Chair Barclay Harless called the meeting to order at 9am. There was a quorum present with the following board members.

Board Members in Attendance

Andrea Cianek, Belinthia Berry, Candida Duff (came on at 9:45am), Commissioner René Flowers, David Fetkenher, Jack Geller, Kevin Knutson, Michael Jalazo, Michael Logal, Patricia Sawyer, Scott Thomas, Ivonne Alvarez, Mark Hunt, Zachary White, Glenn Willocks

Board Members Not in Attendance

Celeste Fernandez, Chris Owens, Dr. Rebecca Sarlo, Lisa Cane, Jody Armstrong, John Howell, Elizabeth Siplin, Kenneth Williams

Staff in Attendance

Steven Meier, Jay Burkey, Mary jo Schmick, Kris Lucas, Leah Geis

Counsel in Attendance

Stephanie Marchman

Guests in Attendance

Casey Penn, Charles Chunn

Public Comments

There were no public comments.

Action Item 1 – Approval of the Minutes – 3.16.2022 Board of Directors

The minutes of the March 16, 2022, Board of Directors meeting were presented for approval.

Discussion: None

Motion:	Patty Sawyer
Second:	Michael Jalazo

The minutes were approved as presented. This motion carried unanimously.

Action Item 2 – DOL Compliance Review – Final Determination of Disallowed Costs

On March 11, 2022, the U.S. Department of Labor (DOL) issued their Final Determination (FD) based on the Compliance Review and its findings concerning the Workforce Innovation and Opportunity ACT (WIOA) Adult, Dislocated Worker and Youth and Wagner-Peyser (WP) Grants specifically in the CareerSource Tampa Bay and CareerSource Pinellas Local Workforce Areas (LWAs), awarded to the Florida Department of Economic Opportunity (DEO). The findings of the onsite visit listed \$17,702,839.87 in questioned costs and 17 findings. Of this amount, \$6,787,051.32 pertained to CareerSource Pinellas (38.3%). Through efforts of DEO working directly with the DOL, and supported by CareerSource Pinellas and CareerSource Tampa Bay, the amount allowed was \$13,353,462.90.

The FD establishes a debt owed to the DOL in the amount of \$4,349,376.97. The FD is calculated as followed:

- **Finding #2:** Lack of Documented Program and Service Eligibility for OJT Participants. \$2,408,912 disallowed and Subject to Federal Debt Collection.
- **Finding #3:** Supportive Service Payments Potentially Issued to Ineligible Participants. \$151,822 disallowed and Subject to Federal Debt Collection.
- **Finding #4:** Improper Business Services Staff Incentive Compensation. \$1,320,725.97 disallowed and Subject to Federal Debt Collection.
- **Finding #5:** Improper Executive Director and Management Compensation Salary Increases. \$467,917 disallowed and Subject to Federal Debt Collection.

The final amount determined to be disallowed for CareerSource Pinellas is \$1,862,989.81 (42.8%). The preferred method of repayment is lump sum, which no interest will be charged if received by April 24, 2022. The disallowed amount be repaid from non-federal funding sources.

Per DEO draft policy titled 'Resolution of Recipient and Subrecipient Monitoring and Audit Findings (Federal & State)', the subrecipient may request a formal appeal within 10 days following receipt of the *Final Determination* letter.

DEO will make the following repayment options available to subrecipients.

Option 1: The Grantee pays the full amount in a lump-sum by sending a lump-sum repayment from non-federal/unrestricted funds to DEO within 30 days after issuance of the final determination, unless a repayment or offset/substitution plan is negotiated with and approved by DEO.

Option 2: The subrecipient may contact DEO to negotiate a short-term installment agreement (generally executed over a period of three years or less) in lieu of a lump-sum payment.

Option 3: Stand-in costs are defined as costs that may be used to substitute disallowed costs. If an organization agrees the cost is disallowed or decides not to contest the finding, it has the option of proposing stand-in costs as substitutes.

Staff feels, after discussion with DEO management and their belief that a favorable negotiated outcome occurred, that the findings in the FD and disallowed costs attributable to CareerSource Pinellas should be accepted.

In addition, when the Science Center was sold in November 2019, the Board designated the net proceeds from the sale of the Science Center to be unrestricted and held in a separate money market account pending the completion of the DOL compliance review. As of the end of February 2022, the amount in our money market account, representing net proceeds and accumulated interest) was \$2,379,338.74. Furthermore, CareerSource Pinellas has enough unrestricted funds that Pinellas County will not have to contribute any tax dollars to cover any of the disallowed costs.

RECOMMENDATION:

1. Approval to accept the Final Determination issued by the U.S. Department of Labor.
2. Approval to accept Florida Department of Economic Opportunity's determination of CareerSource Pinellas' share of disallowed costs of \$1,862,989.81.
3. Approval to accept Option 1, payment of full amount in a lump-sum by April 24, 2022, utilizing unrestricted funds set aside from the sale of the Science Center.
4. Authorize the CEO and General Counsel to research whether this payment of \$1,862,989.81 can be recovered from CareerSource Pinellas' insurance carriers or, alternatively, through legal action.

Discussion: Stephanie Marchman brought up the fact that we should potentially consider partnering with CareerSource Tampa and possibly take legal action against former CEO. Also, we should search for insurance coverage counsel that could evaluate the potential level of benefit from pursuing legal action, if any, to recover our payment to DEO.

Motion:	Jack Geller
Second:	David Fetkenher

The Board of Directors made a motion to approve of making the payment now with the amendment that we research option for potentially seeking out an insurance carrier to see if we are able to recover any of our payment. The motion carried unanimously.

ACTION ITEM 3 – Approve CEO Job Description

The CEO job description approved at the April 4, 2022 Ad Hoc Search Committee meeting was attached for review and approval.

RECOMMENDATION

Approval of the CEO job description as amended.

Discussion: Mark Hunt recommended amending the job description to state that 10 plus years of experience in a non-profit or governmental agency is preferred.

Motion:	Mark Hunt
Second:	Andrea Cianek

The Board of Directors made a motion to approve of the attached CEO job description as amended. The motion carried unanimously.

ACTION ITEM 4 – Approve Retained Search Firm RFQ

The Ad Hoc Search Committee decided at its March 22, 2022, meeting that the organization should utilize the services of a retained search firm to recruit for the CEO position. Board of Director and Committee member, Kevin Knutson, indicated that Pinellas County recently utilized the services of a retained search firm to recruit for the Pinellas County Economic Development Director position. He supplied the organization with the County’s Request for Proposal to use as a starting point.

Since the fees charged by the retained search firm will be under \$150,000, it was decided to use Procurement by Small Purchases utilizing a Request for Quote process. Small purchases are relatively simple and informal procurement methods for securing services, supplies, or other property that are less than \$150,000.

The Request for Quote (RFQ), approved at the April 4, 2022 Ad Hoc Search Committee meeting details the timeline, scope of services, and qualifications and requirements of the search firm. The RFQ was attached for review and approval.

RECOMMENDATION

Approval of the attached Request for Quote for a retained search firm for the recruiting of the Chief Executive Officer for CareerSource Pinellas.

Discussion: None.

Motion:	Mark Hunt
Second:	Patricia Sawyer

The Board of Directors made a motion to approve of the attached Request for Quote for a retained search firm for the recruiting of the Chief Executive Officer for CareerSource Pinellas. The motion carried unanimously.

Other Administrative Matters

Michael Logal removed himself from the Ad Hoc Search Committee due to the fact that his brother-in-law may be applying for the CEO position. Michael Logal also announced withdrawal of his acceptance of the chair-elect position. A new vote will need to take place to decide on the next board chair.

Open Discussion

None

Adjournment

Barclay Harless adjourned the meeting at 9:55 AM.