

**CareerSource Pinellas  
Board of Directors Minutes**

**Date:** Wednesday, November 16, 2022, at 11:45 am.

**Location:** Hybrid meeting – Zoom/EpiCenter, 13805 58<sup>th</sup> St. N., Rooms 1 - 451 & 1 - 453, Clearwater, FL 33760

**Call to Order**

Chair, Scott Thomas, called the meeting to order at 11:52 a.m. There was a quorum with the following board members present.

**Board Members in Attendance**

Scott Thomas (In person), Barclay Harless (Zoom), Belinthia Berry (Zoom), Elizabeth Siplin (Zoom), Kenneth Williams (In person), Jack Geller (Zoom), John Howell (In person), Kevin Knutson (In person), Lisa Cane (Zoom), Mark Hunt (In person), Patricia Sawyer (Zoom), Michelle Radcliffe (Zoom), Michael Jalazo (Zoom), Angel Barton (Zoom), Shawn McDonnell (Zoom), Zac Holland (In person), Esther Matthews (In person)

**Board Members Not in Attendance**

Candida Duff, Celeste Fernandez, Zachary White, Commissioner René Flowers, David Fetkenher, Dr. Rebecca Sarlo, Glenn Willocks, Ivonne Alvarez

**Board Counsel**

Stephanie Marchman (Zoom)

**Staff in Attendance**

Steven Meier, Jay Burkey, Mary jo Schmick, Leah Geis, David Zirilli, Jason Druding

**Guests in Attendance**

Danielle Weitlauf (In person)

**Public Comments**

There were no public comments.

**Action Item 1 – Approval of the Minutes – 11.16.22 Board of Directors Meeting**

The minutes of the September 7, 2022, Board of Directors meeting were presented for approval.

**RECOMMENDATION**

Approval of the draft minutes, to include any amendments necessary.

**Discussion:** None

Motion:	Pattye Sawyer
Second:	Barclay Harless

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

**Action Item 2 – Approval of Annual 401K Audit**

- a. Financial Statements and Supplemental Schedule (Included in the board packet.)**
- b. Report to Those Charged with Governance (Included in the board packet.)**

WorkNet Pinellas, Inc. 401k Plan is required to have an annual audit by an Independent CPA firm. The Audit Committee approved Thomas Howell Ferguson P.A. to perform an ERISA Section 103 (a)(3)(c) audit (previously “limited scope audit”) of the 2021 financial statements at its May 6, 2022, meeting and the Board of Directors followed up with their approval at the May 26, 2022, meeting.

As permitted under the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed Thomas Howell Ferguson P.A. to perform an ERISA Section 103 (a)(3)(c) audit and thus, they did not perform any auditing procedures with respect to investment information which was prepared and certified by John Hancock. Thomas Howell Ferguson P.A. did perform audit procedures on employee eligibility, employer and employee contributions, employee loans, etc. Their responsibility is to express an opinion on the 2021 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States. Because Thomas Howell Ferguson P.A. performed an ERISA Section 103 (a)(3)(c) audit, they did not express an opinion on the 2021 financial statements.

The attached financial statements along with the organization’s Form 5500, were scheduled to be filed with the IRS and Department of Labor by the October 15, 2022, deadline. However, due to Hurricane Ian, the filing deadline has been extended until February 15, 2023.

**RECOMMENDATION**

Approval of the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2021, and 2020.

**Discussion:** None

Motion:	Mark Hunt
Second:	Kevin Knutson

*The Board of Directors made a motion for approval of the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2021, and 2020. The motion carried unanimously.*

**Action Item 3 – Audit of June 30, 2022, Financial Statements**

- a. Financial Statements and Supplemental Schedule (Included in the board packet.)**
- b. Report to Those Charged with Governance (Included in the board packet.)**

The Audit Committee approved Thomas Howell Ferguson P.A to perform the financial statement audit of the June 30, 2022, financial statements at its May 6, 2022, meeting and the Board followed up with their approval at the May 26, 2022, meeting.

The audit firm of Thomas Howell Ferguson P.A has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2022. Enclosed is a copy of the Financial Statements and the *Auditor’s Communications with Those Charged with Governance*.

**RECOMMENDATION**

Approval of the Annual Financial Audit for the fiscal year ended June 30, 2022.

**Discussion:** None

Motion:	Jack Geller
Second:	Mark Hunt

*The Board of Directors made a motion for approval of the Annual Financial Audit for the fiscal year ended June 30, 2022. The motion carried unanimously.*

**Action Item 4 – Compensation Review Results**

At the 04/07/2022 Compensation Committee Meeting, a proposal to conduct a compensation review was approved and later brought before the Board of Directors for a vote. Compensation Resources’ proposal was approved at the 05/26/2022 Board of Directors Meeting.

The compensation review was conducted, and the report is included in this packet for your review and reference. Diana Neelman, with Compensation Resources, will be giving an overview of their findings and is available to answer any questions.

Based upon the results of the compensation review, it is recommended that pay ranges for all existing job classifications be increased by 4.7% from the previous compensation review performed in 2019, to ensure CareerSource Pinellas offers competitive salaries and compensation compared to the marketplace. Staff salaries will be evaluated in order to determine alignment with new pay ranges and salary increases may be approved up to 4.7% depending on the employee's hire date, any recent promotion, and the where the employee's current salary falls within the pay range. The total annual impact of every employee, excluding the Interim CEO, receiving a 4.7% increase would be approximately \$131,000. Any approved increases would be effective January 1, 2023 (50% of the year); thus, the maximum impact for 2022-2023 would be \$65,686. The Budget Modification I, that will be considered today by the Board for approval, includes \$55,458 for increased salaries due to Compensation Review. Since not all employees will receive the full 4.7% increase, staff feels that the Budget Modification that will be considered adequately covers any anticipated salary increases resulting from adjustments from the compensation review.

Paragraph 11 of the DEO funding agreement provides in part: "Funds provided by DEO may not be used to fund salary, bonus, or incentive of any employee in excess of Federal Executive Level II, regardless of funding source." The Office of Personnel Management released new salary levels for the Executive Pay Scale and effective January 2, 2022, the salary limitation for Executive Level II is \$203,700.

**\*The full review was included with this board packet.**

**RECOMMENDATION**

Approval to adopt Compensation Resources' proposal and increase employee pay ranges by 4.7%. Staff salaries will be evaluated to be in alignment with the updated pay ranges and salary increases may be approved up to 4.7%.

**Discussion:** None

Motion:	Esther Matthews
Second:	Barclay Harless

*The Board of Directors made a motion for approval to adopt Compensation Resources' proposal and increase employee pay ranges by 4.7%. Staff salaries will be evaluated to be in alignment with the updated pay ranges and salary increases may be approved up to 4.7%. The motion carried unanimously.*

**Action Item 5 – DEO 2022-2023 Internal Control Questionnaire & Assessment**

The Internal Control Questionnaire and Assessment (ICQ) was developed by the Department of Economic Opportunity (DEO), Bureau of Financial Monitoring and Accountability, as a self-assessment tool to help evaluate whether a system of sound internal control exists within the Local Workforce Development Board (LWDB).

The self-assessment ratings and responses should reflect the controls in place or identify areas where additional or compensating controls could be enhanced. Based on the Grantee-Subgrantee Agreement, the ICQ is required to be completed and certified by the Executive Director and Board Chair or their designee and submitted to DEO by September 30. However, DEO extended the deadline to November 18, 2022, to allow the CareerSource Pinellas Finance Committee and Board to review and approve the ICQ at their October and November meetings, respectively. Some of the new controls implemented during the last year were as follows:

- Engaged internal monitoring firm to conduct annual required subrecipient monitoring.
- Revised Procurement Policies and Procedures.
- Compensation Review was conducted to review organizational structure, salaries and positions. In addition, new hires have been brought in to fill organizational gaps and assist with succession planning for CFO.
- Migrated from ATLAS to Employ Florida.
- Dedicated staff position was created to ensure all policies, procedures and related control activities are reviewed for continued relevance and effectiveness.
- Renewed 24/7/365 cyber-security monitoring and security awareness training for employees.

\*The full questionnaire and assessment was included with this board packet.

**RECOMMENDATION**

Approval of the enclosed 2022-2023 Internal Control Questionnaire and Assessment.

**Discussion:** None

Motion:	Kevin Knutson
Second:	Mark Hunt

*The Board of Directors made a motion for approval of the enclosed 2022-2023 Internal Control Questionnaire and Assessment. The motion carried unanimously.*

**Action Item 6 – Budget Modification I**

**REVENUE:**

Total budgeted revenues estimated to increase from \$9,144,724 to \$9,226,682 for an overall increase of \$81,958; or 0.9%.

**Workforce Innovation and Opportunity Act (WIOA) Programs**

- Rapid Response grant - \$55,958
  - Additional funding for 2022 - 2023 awarded from DEO

**Employment Services**

- Apprenticeship Navigator - \$62,500
  - New grant awarded from DEO to fund dedicated headcount to lead and support local efforts to develop, expand and support Registered Apprenticeship Programs (RAP) in Florida.

**Trade Adjustment Assistance (TAA)**

- Training and Case Management - \$<66,000>
  - TAA program was not re-approved by Congress and sunsetted effective June 30, 2022. Participants already in program would be allowed to continue in program until their training is complete. No new petitions will be accepted.

**Other**

- **Ticket to Work - \$22,000**
  - First quarter Ticket to Work revenue (unrestricted) was higher than budgeted
- **Interest Income - \$9,000**
  - Higher interest rates resulting in increased returns on bank accounts

**EXPENSES:**

Total budgeted expenses estimated to increase from \$9,090,764 to \$9,148,222 for an overall increase of \$57,458.

**Personnel Expenses**

- Personnel Expenses expected to increase \$116,458, or 2.9% from original budget.
  - Apprenticeship Navigator position
  - Adjustment of salaries from adoption of Compensation Review

**Training**

- TAA Training - \$<50,000>
  - Sunsetting of TAA program will result in less training

**Professional Fees**

- Lobbying Fees increased \$5,000 due to more involvement of Chris Carmody from GrayRobinson relating to REACH Act.

**Insurance**

- Cyber Insurance decreased (\$14,000) from original budget as organization switched insurance carriers for 2022-2023 which will result in savings from budget and prior year.

**RECOMMENDATION**

Staff recommends approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets.

**Discussion:** None

Motion:	Esther Matthews
Second:	Barclay Harless

*The Board of Directors made a motion for approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets. The motion carried unanimously.*

**Action Item 7 – Youth Workforce Services RFP**

The current contract for Workforce Youth Services with Pinellas Education Foundation ends as of June 30, 2023. This is the third and final annual renewal. One of the responsibilities of Local Workforce Development Boards (LWDB) includes selection of providers of youth workforce investment activities through competitive grants or contracts. The LWDB must award such grants or contracts on a competitive basis and in accordance with the Procurement Standards found at Uniform Guidance at 2 CFR parts 200 and 2900.

In accordance with WIOA guidance on procurement, CareerSource Pinellas is requesting approval to issue a new Request for Proposal (RFP) to solicit proposals for a service provider to deliver Youth Workforce Services in Pinellas County effective July 1, 2023.

**RECOMMENDATION**

Staff recommends approval to issue a Request for Proposal (RFP) for service provider for Youth Workforce Services.

**Discussion:** None

Motion:	Mark Hunt
Second:	Jack Geller

*The Board of Directors made a motion for approval to issue a Request for Proposal (RFP) for service provider for Youth Workforce Services. The motion carried unanimously.*

**General Counsel Update – Gray|Robinson**

The following is a summary of legal services provided to CareerSource Pinellas since the General Counsel issued her last Legal Services Summary and Litigation Report to the Board of Directors at its meeting on September 7, 2022:

- Attorney Patrick Hagen independently investigated a whistleblower complaint filed by a former employee. The investigation has concluded and results have been provided.
- Reviewed contracts as to their form and legality, including the Workforce GPS Agreement, Forms of Payments for WIOA Youth Program Participants and Training and Employment Guidance Letters, and Manpower Services Agreement.
- Coordinated with coverage counsel regarding the response to the Department of Labor final determination and possible insurance coverage for disallowed costs.
- Reviewed Board of Directors, Workforce Solutions Committee, Compensation Committee, Audit Committee, and Finance Committee agenda packets as to their form and legality; attended Board of Directors and Compensation Committee meetings.
- Provided sunshine law guidance with respect to Ernst and Young meeting.

Pending litigation report:

There is no known pending litigation against CareerSource Pinellas.

### **INFORMATION ITEM 1 – REACH Act Update**

The Reimagining Education and Career Help Act (REACH) was signed into law in July 2021. It is a comprehensive blueprint for enhancing access, alignment, and accountability across the state’s workforce development system. Implementation of the REACH Act is a priority of the CareerSource Florida Board of Directors. Three Main Components of the REACH Act.

1. Letter Grades
2. Re-alignment
3. Florida Credentials Review Committee

### **LETTER GRADES**

The REACH Act seeks to improve accountability in the workforce system. The Law calls to develop criteria for assigning a letter grade to local workforce boards based on local board performance accountability measures and return on investment. Baseline grades were released on October 18, 2022, and grades are made public with the goal of elevating Florida’s workforce. The current grades were determined retroactively from 2022 and will be updated on an annual basis.

Using criteria set by the Governor’s REACH Office and data from the 2021-2022 fiscal year, CareerSource Florida announced during the Oct. 18 CareerSource Florida Board Executive Committee meeting that 13 As, 10 Bs and one C had been assigned to the 24 local workforce development boards. CareerSource Pinellas received a score of 87.98%, or B+. The breakdown of the grade is on the following page (info tables included in meeting packet).

Areas to Improve:

- Work-based learning Opportunities
- Documentation of Business Service Activities
- Outreach and Services to SNAP and TANF customers

### **REALIGNMENT**

CareerSource Florida (CSF) is exploring approaches to aligning Florida’s 24 local workforce development boards consistent with the charge of reducing the number of local boards under the REACH. Ernst & Young (EY) was hired by CSF to perform the evaluation and study. The goals of realignment are to:

- Eliminate multiple layers of administrative entities to improve coordination of the workforce development system.
- Establish consistent eligibility standards across the state to improve the accountability of work-force related programs.
- Provide greater flexibility in allocating resources to maximize the funds directed to training and business services.

October was a month of robust engagement as part of CareerSource Florida’s commitment to involve all partners in evaluating the alignment of Florida’s 24 local workforce development boards to identify options for consolidation. Many of the 150 in-person and online interviews, roundtables, focus groups, webinars and workshops for state and local leaders have taken place during October, with more than 400 participants.

Engagement included:

- Local Workforce Development Boards:
  - 24 one-on-one, in-person interviews in September with the chief executives of each board.
  - 24 focus groups for leadership and staff in October.
  - 7 regional in-person workshops earlier in November.
- Employers, Economic Developers, Educators & Other Leaders:
  - 48 roundtable discussions in October.

- A webinar with chief local elected officials Oct. 27. A second workshop and interviews with state leaders will occur in November/December.

Engagement will continue into early 2023, along with research and data analysis, focused on identifying options that best address the intent of the REACH Act and the commitment to continuous improvement of the CareerSource Florida network.

EY will develop three potential options for action to be considered by the CareerSource Florida Board of Directors. These options will be developed in coordination with CareerSource Florida staff and the REACH Act office, and will focus on federal WIOA requirements, REACH Act priorities, stakeholder input, and research from Phases 1 and 2. The options will be included in the Final Project Report to be delivered at the February 2023, CareerSource Florida Board of Directors meeting. Information in the option descriptions will include:

- Maps of potential new local workforce development area geographies
- WIOA and REACH Act compliance factors
- High-level change management considerations
- Benefits and risks

### **FLORIDA CREDENTIALS REVIEW COMMITTEE**

Empowered by Florida's landmark REACH Act, the Credentials Review Committee establishes a definition for credentials of value, creates a framework of quality, and identifies non-degree and degree credentials of value to ensure instructional programs prepare Floridians for in-demand occupations.

In January 2022, the Florida Credentials Review Committee created four workgroups focused on the four key elements of a Framework of Quality (that is, wages, demand, credential sequencing and credential identification).

For more information on the REACH Act:

<https://careersourceflorida.com/boardroom/reach-act/>

### **INFORMATION ITEM 2 – Subrecipient Monitoring for Period July 2021 – June 2022**

2 CFR 200.331(d) requires that awarding agencies “monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.” CareerSource Pinellas conducts business with two entities that are considered subrecipients, Pinellas Education Foundation (Youth Connect) and Dynamic Workforce Solutions (One-Stop Operator).

#### **Pinellas Education Foundation**

Period Reviewed – July 1, 2021 – July 31, 2022  
Contracted Amount - \$475,000

#### **Findings**

- Recommend PEF elect a de minimis rate of 10% for indirect cost allocation.
- Monitor proper distinction between direct and indirect costs.
- Ensure approved mileage charges are billed at the allowable rate per F.S. 112.061.
- Ensure signatures are obtained on all requests for payment acknowledging payment by PEF for tuition related costs.
- Requests for reimbursement should be made only for costs that are both incurred and paid and properly supported.
- Confirm prepaid card tracking/issuance log is up to date and correct.

#### **Observations**

- Ensure classification of cost on payment requests can be easily reconciled to supporting documentation.
- Ensure appropriate support service activity is open in EF to coincide with support services provided.
- Consider obtaining attestation from clients that prepaid cards are used as intended

- Monthly Youth Services Reports should be supported by client data and counts to substantiate the information presented.

**Dynamic Workforce Solutions (Report #2)**

Period Reviewed – July 1, 2021 – June 30, 2022

Contracted Amount - \$40,000

**Observations**

- Recommendation to monitor and reconcile indirect cost rate and allocation.
- Recommendation to modify compliance reports to include each specific scope-of-work element detailed in the contract and to document progress for each contract deliverable.

The Internal Control Questionnaire from DEO that each Local Workforce Develop Board (LWDB) is required to complete on an annual basis specifically asks whether LWDB monitors all subrecipients and communicates the monitoring results to the LWDB’s board of directors.

**\*Report included in meeting packet.**

**INFORMATION ITEM 3 – Staffing Report**

Since the beginning of the current Program Year, the organization has decreased by one COO. There is currently no plan to replace the COO at this time. The Finance Department has also decreased by one Director. Business services has decreased by one Apprenticeship Navigator. Programs has decreased by two Career Counselors.

Juan Toribio is transitioning from a Supervisor role to a Marketing Coordinator role, working in conjunction with Tucker Hall. In addition, Lysandra Montijo was promoted to Programs Director and Frank Molloy was promoted to MIS Supervisor.

Since the beginning of the current Program Year, the organization has welcomed the following employees to the CareerSource Pinellas team:

- Sean Thornton, **Business Services Representative**
- Dustin Stull, **Apprenticeship Navigator**
- Jennifer Henzel, **Technician**
- Emelinda Colon, **Business Services Representative**
- David Zirilli, **Director of Finance**
- Britney Norsworthy, **WIOA Career Counselor**
- Mable Livaudais, **Specialist**
- Jason Druding, **Director of Business Services**
- Eugene Woody, **Specialist**

**INFORMATION ITEM 4 – Organizational Chart**

At the Special Meeting of the Board of Directors on December 15, 2021, the board unanimously approved to refer Section IV of the Whistleblower Report related to organizational culture and employee engagement to the Compensation Committee for further review and recommended action, if any. One of HR Director’s, Jay Burkey, main focuses has been the implementation of tactics to improve organizational culture and employee engagement.

**\*Organizational chart included in meeting packet.**

**INFORMATION ITEM 5 – Benefits Renewal Process**

Benefit renewal is underway with our partner HUB International. At this time, we have not received any renewal information, but we are anticipating open enrollment to take place in November for all benefit eligible employees.



### **INFORMATION ITEM 6 – Paycor Launch**

CareerSource Pinellas' new HRIS system, Paycor, was successfully implemented on October 1, 2022. The first payroll that was run through this system was completed on October 10, 2022. The system took a significantly shorter period of time to process in comparison to the old system and so far has been well received by all employees.

### **INFORMATION ITEM 7 – Employee Engagement Survey Review**

Steve and the leadership team met with the staff at the EpiCenter, South County and the Gulf to Bay center all separately to review the survey results. They also answered any questions anyone may have had in regard to the survey. The meetings were held on the dates below.

**EpiCenter** – 11/7/2022 – 1:30pm – 2:30pm

**South County** – 11/3/2022 – 2:00pm – 3:00pm

**Gulf to Bay** – 11/4/2022 – 9:00am – 10:00am

### **INFORMATION ITEM 8 – Financial Statements – For the Two Months Ended August 31, 2022**

\*Financial reports included in meeting packet.

### **INFORMATION ITEM 9 – Workforce Solutions Goals Update**

Report included in meeting packet.

### **INFORMATION ITEM 10 – WIOA Primary Indicators Report Q3**

Report included in meeting packet.

### **INFORMATION ITEM 11 – Training Provider Spending**

Report included in meeting packet.

### **INFORMATION ITEM 12 – Work-Based Learning Spending**

Report included in meeting packet.

### **INFORMATION ITEM 13 – Help Wanted Online Report**

Report included in meeting packet.

**Other Administrative Matters – There were no other administrative matters.**

**Adjournment** – Chair, Scott Thomas, adjourned the meeting at 1:00pm.