

CareerSource Escarosa

BOARD OF DIRECTORS MEETING MARCH 21, 2019 MINUTES

Members Present: Steve Rhodes (Chair), Sharon Pitts (Vice Chair), Dana Mullins (Secretary/Treasurer), and Tina Stewart

Members Participating via Teleconference: Raymond Guillory, Michelle Kaufman and Charlin Knight

Members Not Present: Russell Branch, Kathaleen Cole, Tawana Gilbert, Kristine Rushing, and Erin Spicer

Others Present: Phyllis Curl – Children’s Home Society, Patrick Wright – Florida Department of Education-Division of Career and Adult Education Standards, Benchmarks, and Frameworks, Eric Flora, Naeemah T. Frazier, Sheryl Rehberg, and Janay Sims – CareerSource Escarosa

Chair Steve Rhodes called the meeting to order at 3:30 p.m. at the Santa Rosa Economic Development Council (6491 Caroline Street, Suite 4, Milton, FL). He also called the roll to confirm attendance and/or participation in the meeting.

CALL FOR PUBLIC COMMENT

No public comments were noted.

READING OF PUBLIC DISCLOSURES

No public disclosures were noted.

MISSION MOMENT – WORK READY REGION PLAN

Sheryl Rehberg acknowledged guests present at the meeting – Phyllis Curl and Patrick Wright.

She presented the Work Ready Region Plan, a strategic plan using the Florida Ready to Work credential. An overview of the Florida Ready to Work program, to include coursework, numbers enrolled, and numbers attained, was presented as well.

CONSENT AGENDA

Minutes – January 17, 2019

The minutes were made available to the board for review.

Action Taken: Motion by Tina Stewart and seconded by Sharon Pitts to approve the consent agenda item – January 17, 2019 Board of Directors minutes. Motion carried.

ITEM FOR CONSIDERATION

FINANCIAL EXPENDITURES REPORT – JANUARY 2019

The financial expenditure report for January 2019 was made available to the board.

Dana Mullins, Treasurer, presented the financial expenditure report for January 2019. Ms. Mullins reported the Summary of Expenditures indicates being 58.3% through the fiscal year and at a 42.3% expenditure rate.

This indicates that CSE is on tract with adult spending and that spending is controlled. Ms. Mullins gave a brief explanation on timing of indirect rate requirements. The indirect rate requirement for the end of fiscal year 2018-2019 is 12.33%. As of February, the indirect rate is at 14.33%, but is expected to fall in line with what is allowed by the end of the fiscal year.

Action Taken: Motion by Tina Stewart and seconded by Sharon Pitts to accept the Financial Expenditures Report for January 2019. Motion carried.

CEO CONTRACT EXTENSION REQUEST

Sheryl Rehberg, CEO, requested a 7-month extension to her 2-year (December 1, 2017-November 30, 2019) contract. Her request is due to a personal reason (living arrangements) as well as goal accomplishments (relocation of the Pensacola Career Center and development of leadership within the CSE organization). Mr. Rhodes noted that the Executive Committee recommends this extension. With approval, her contract will be amended to include a 7-month extension.

Action Taken: Motion by Tina Stewart and seconded by Dana Mullins to approve a 7-month extension to the CEO's 2-year (December 1, 2017-November 30, 2019) contract. Motion carried.

INFORMATION ITEMS

NOMINATING COMMITTEE MEMBERS

Mr. Rhodes noted that a nominating committee will need to convene to identify a proposed slate of officers to fill offices where needed on the Executive Committee. The nominating committee will include Rusty Branch, Tina Stewart, and Dana Mullins. Dana Mullins will chair the committee and set a meeting date of the committee.

UPDATE ON RELOCATION OF THE PENSACOLA CAREER CENTER

Mr. Rhodes gave a recap of what has transpired with the relocation of the Pensacola Career Center. As of today, VGP Eastgate is willing to extend 15 months of free occupancy on a 10-year contract. A Letter of Credit (LOC) is required by VGP Eastgate to cover the expense on the free rent. The signing of the LOC is not complete, due to Regions Bank's requirement for collateral to cover the LOC (\$606,000.00) plus a service fee of \$18,705.00. CSE does not have unrestricted funds nor assets to support either request. All funds that are passed down to CSE are federal funds and are to be used on programs and the administrative expenses associated with programs.

CSE is faced with the situation of remaining in its current location until the lease ends (July 31, 2020) should there be no positive response from VGP Eastgate regarding the LOC. Plans going forward is to request the renegotiation of terms on current lease.

Mrs. Rehberg has drafted a letter to the Director of Real Estate for VGP Eastgate explaining the situation, how we operate, and federal governance requirements and restrictions.

Mr. Rhodes noted that there are other regions who have unrestricted funds through corporate partners, and this may be something we need to explore.

CSE will continue to pursue occupancy at the Eastgate Plaza within its ability. If VGP Eastgate is persistent with the LOC requirement we will be faced with not occupying their space.

CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer's report was made available to the board.

Mrs. Rehberg noted additions to her report: 1) her meeting with a potential board member; and 2) her speaking at the AFL-CIO meeting regarding representation from their organization on the CSE board. She expressed thanks to Ray Guillory. She noted the two Santa Rosa County business vacancies on the board, and informed that Tina Stewart has identified a potential prospect to fill one of the business vacancies. Mr. Rhodes expressed thanks to Mrs. Rehberg as she represented CSE well at the First Place Partner's meeting. Michelle Kaufman recognized CSE's CEO and staff for hosting the Navy Federal event – noting staff was very attentive, welcoming and receptive to the candidates. Mr. Rhodes noted hearing similar feedback regarding similar activities. He expressed the need to explore the possibilities of unrestricted funding to enhance services and the ability to serve our customers beyond what is received from the federal government. As we continue to expand business services that will enable us to continue to develop relationships, hopefully we will be able to demonstrate to them the need for this type of funding.

MONTHLY JOB PLACEMENT REPORT (JANUARY & FEBRUARY 2019)

The monthly job placement report for January and February 2019 were made available to the board.

MONTHLY MANAGEMENT REPORT (DECEMBER 2018 & JANUARY 2019)

The monthly management reports for December 2018 and January 2019 were made available to the board.

ANNUAL RETIREMENT CONTRIBUTION

CSE's Fiscal Year 2018-2019 approved budget included a 5% (\$92,731) retirement contribution for staff. The contribution is based on the employee's W-2 wages for year 2018 and may be made any time after January 31. Based upon the 2018 W-2 wages of staff eligible to receive the retirement contribution, the actual contribution is \$59,370, which will be paid in March 2019. It was noted this will be the last 5% annual retirement contribution, as the new retirement plan in place has this contribution capped at 2%.

A Resolution of the Board of Directors is required to allocate a 5% retirement contribution to eligible employees for the 2018 Plan Year.

Action Taken: Motion Dana Mullins and seconded by Tina Stewart to approve the signing of the Resolution of the Board of Directors to allocate a 5% retirement contribution to eligible employees for the 2018 Plan Year. Motion carried.

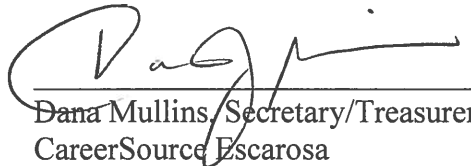
OTHER BUSINESS

Mr. Rhodes informed there was a discussion in the Executive Committee meeting and expressed the need for full transparency and awareness regarding the discussion. Over the last couple of months, he received emails from some board members regarding letters they had received that contained concerns by CSE staff. There was no conversation between the board members and Mr. Rhodes. The email included a draft anonymous letter of concerns regarding management for the organization. Concerns ranged from things regarding simple policy and discussion about decoration in the office to things as impactive as percentage of raises that were distributed and the 401k plan that was revised and approved by the board. He noted when he was first made aware of the concerns Sheryl Rehberg was approached by him and there was conversation at great lengths. He also had conversation with Kim Horton – HR rep for Landrum at great lengths. Sheryl Rehberg, Kim Horton and Mr. Rhodes met and went through all items of concern noted in the letters. Due to the letters being anonymous, it was difficult to do follow-up but to address in a general sense to ensure that everything that was being done in terms of management and policy was legal and ethical, and to ensure fairness to the employees. The board chair also had discussions with staff to get a feel for things. Mr.

Rhodes noted there has been a lot of changes since the CEO was hired – with no blame to the CEO. With new leadership, most times leadership styles are different. There have been quite a few changes that has taken place over the course of a year. The rate of change that these things took place (some being significant regarding employee pay raise and the 401k and its impacts) the board considered them from a different set of lenses. He noted Michelle Kaufman raised the question at the last board meeting of how the 401k change is going to impact the employee regarding loss of dollars. The board has been mindful and don't feel oblivious to those things. The board's perspective may not align with staff's in terms of how they view change and its impact verses the board's view. He noted there hasn't been a time where any of the changes that have been made was not presented and discussed at the board or executive level. None were simple items that the CEO desired to do. He emphasized wanting to make sure that all board members are aware this has taken place, and it is not being ignored. He expressed care for the people in this organization and wanting to ensure that everyone is being treated with respect and dignity and that their well-being is being considered whenever the board makes a decision that would impact them. The floor was open for comments and questions, as some members had also received the letter. No comments or questions were raised.

Mr. Rhodes noted that it is the board's responsibility to oversee the governance policy and finances of this organization. The board is not responsible for being in the day-to-day operations of this business. There was involvement in this matter due to the CEO being named responsible for some of the concerns in the letter and with the board's hiring of her it was the boards' responsibility to follow-up on the concerns.

There being no further business, the meeting adjourned.



Dana Mullins/Secretary/Treasurer
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