



AUDIT & FINANCE COMMITTEE MEETING - MINUTES

Workforce Solutions Alamo
100 N. Santa Rosa St., Suite 120, Boardroom
San Antonio, TX 78207

April 5, 2024

10:30 AM

BOARD OF DIRECTORS: Mary Batch (Chair), Leslie Cantu, Lisa Navarro Gonzales, Mitchell Shane Denn

STAFF: Adrian Lopez, Adrian Perez, Angela Bush, Carlos Garcia, Caroline Goddard, Chuck Agwuegbo, Esmeralda Ramirez, Gabriela Navarro Garcia, Jeremy Taub, Kristen Rodriguez, Rebecca Espino Balencia, Teresa Chavez, Trema Cote, Vanessa McHaney, Gabriela Horbach, Manuel Ugues, Belinda Gomez, Brenda Garcia, Chakib Chehadi, Daisey Vega, Sylvia Perez, Gilbert Monk, Eric Vryn, Alfred Salazar, Angelica Miranda, Jessica Villarreal, John Amaro, Dr. Ricardo Ramirez, Roberto Corral

PARTNER STAFF: None

LEGAL COUNSEL: None

GUESTS: Anna-Lisa Larson with Array Corp

AGENDA

Agenda items may not be considered in the order they appear.

Citizens may appear before the Committee to speak for or against any item on the Agenda in accordance with procedural rules governing meetings. Speakers are limited to three (3) minutes on each topic (6 minutes if translation is needed) if they register at the beginning of meeting. Questions relating to these rules may be directed to Caroline Goddard at (210) 322-6296.

The Chair of the Committee will be at the Host Location. The Host location is specified above. Meetings will be visible and audible to the public at the Host location, and there will be a visual or audio recording of the meeting. There will be two-way audio and video of the meeting between each Board member sufficient that Board members and public can hear and see them. WSA will comply with all Videoconferencing Guidelines.

For those members of the public that would like to participate and cannot attend in person at the host location, please call toll-free 1-877-858-6860, which will provide two-way

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During the Public Comments portion of the meeting (Agenda Item 4), the Public may type their name into the chat box or unmute themselves and state their name. The meeting host will call each member of the public for comments, in the order their names were submitted.

I. CALL TO ORDER

Presenter: Mary Batch, Committee Chair

At 10:36am, Chair Mary Batch called the meeting to order.

II. ROLL CALL AND QUORUM DETERMINATION

Presenter: Mary Batch, Committee Chair

The roll was called, and a quorum was declared present.

III. DECLARATIONS OF CONFLICT OF INTEREST

Presenter: Mary Batch, Committee Chair

None.

IV. PUBLIC COMMENT

Presenter: Mary Batch, Committee Chair

None.

V. DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS MEETING MINUTES FOR FEBRUARY 9, 2024

Presenter: Mary Batch, Committee Chair

Upon motion by Lisa Navarro Gonzales and seconded by Mitchell Shane Denn, the Committee unanimously approved the previous meeting minutes for February 9, 2024.

VI. PROCUREMENT UPDATES (DISCUSSION AND POSSIBLE ACTION)

Presenter: Jeremy Taub, Director of Procurement and Contracts

a. Contract Summary and RFP Updates

- The lease property search for Bandera is open and pending award in April. The lease property search for Pearsall is open and in progress with an anticipated award date in June. The lease property search for Hondo is open and in progress with an anticipated award date in September. Temporary staffing services is open

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and in progress with an anticipated award date in April. Office furniture design and installation services for the O'Connor workforce center is open and in progress with an anticipated award date in April.

- A re-solicitation for Child Care Quality Services RFP has been sent out on April 5, 2024. Updates included adding missing information, adding a budget, requesting financial statements, and updating timelines. Those who have submitted a proposal have been notified to resubmit. The independent evaluators have also been notified that there will be a 30-day delay. Additional steps and precautionary measures have been immediately taken to ensure this doesn't happen again, such as a pre-solicitation checklist, looking into a module that will automate the preparation process, and an internal QA review practice.
 - A Monday.com board has been implemented to plan procurements effectively over the next 18 months. It will help to monitor existing contracts and the remaining renewals, scope changes, and budget changes. It will also identify new procurements and assess department requirements and spend analysis.
- b. Purchase of Cyber-Security Solution Suite Software Licenses
- This is for an enterprise-wide license for a cyber-security solutions suite to protect the existing network, data, and online systems from various cyber threats. The contractor will work with board staff to conduct risk assessments, implement security measures, ensure compliance with regulations, monitoring and analyzing threats, and training on security protocols. The suggested contractor is Barcom Enterprises, LLC with a thirty-six-month contract in the amount of \$357,105.73 to be invoiced annually. A DIR (Department of Information Resources) contract is being utilized for this, which is a Texas agency that provides state procured awarded contracts to state entities and members of their program. Two other contractors were considered, however, Barcom proved to have the best price for the same licenses.

Upon motion by Lisa Navarro Gonzales and seconded by Mitchell Shane Denn, the Committee unanimously approved the purchase of cyber-security solution suite software licenses.

VII. FISCAL UPDATES (DISCUSSION AND POSSIBLE ACTION)

Presenter: Gabriela Navarro Garcia, Controller

Presented by: Angela Bush, CFO Consultant

a. Financial Reports

- Personnel has a 4.1% surplus. Staff training and development will take place within the following months.
- Facilities has a 6.11% surplus, which is reserved for a Common Area Maintenance (CAM) contingency.
- Equipment has a 16.33% surplus. The most significant budget surplus is the cloud-based infrastructure and replacement of computers that exceed useful life.
- General Office has a 20.64% surplus. The primary budget surplus is due to timing differences, marketing, and the insurance contingency.
- Professional Services has a 17.14% surplus. The variance is primarily a timing difference in legal, audit, and monitoring. Legal and professional services related

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to temporary staffing are utilized as needed to support the agency.

- Board of Directors has a 1.52% surplus. The board retreat and the NAWB Forum occurred in March.
- Facility expenditures represent 27.26% of the approved budget, reflecting a 6.08% straight-line budget surplus. Significant items contributing to this are the mobile workforce unit and the Port of San Antonio.
- Reserve is used for childcare and will be expensed in August and September.
- Projects include Workforce Commission Initiatives such as the Career Pathway Youth Events.
- Service Delivery has a 3.71% variance, which is acceptable.
- Service Delivery Child Care has a 3.96% variance. Enrollments have been going up and are currently meeting expectations.
- Service Delivery Ready to Work has a 16.15% variance. There is an expected increase in case management and intake and assessment.
- Year-to-Date Service Delivery: COSA Child Care 82% urban and 18% rural, Ready to Work 100% urban, C2GPS Adult Bexar County 100% urban, C2GPS Adult 79% urban and 21% rural, and SERCO Youth 51% urban and 49% rural.
- Key Variances:
 - TANF – Grant is currently on track at 30.49% expensed and expects to be fully expended by the end of the contract period on October 31.
 - Trade Act – The program has a small number of participants. Recently recruited two new participants that may cause additional expenses.
 - Child Care Quality – This program expects expenditures to ramp up in spring of 2024. Funds will be used for TRS improvements, teacher appreciation, assessment awards, indoor and outdoor activities for infants and toddlers, preschool curriculums, and CPR training and renewals.
 - Military Family – Expecting to see an increase in expenditures with two additional staff and additional outreach.
 - 22WPB Training & Employment Navigator – Contract ended on January 1, expected to return \$27,992. This was a pilot program in FY23 for trafficking victims.
 - Middle Skills – The board has had some challenges and expanded the statement of work to allow eligibility. Projected to expend \$58,000 by the end of the program.
 - 24REO PROWD Grant – New program for re-entry opportunities with a budget of \$1,174,500 for a three-year term.
- TWC 2024 HB1 Budget Acceptance: TWC has reviewed WSA’s annual HB1 budget submission for compliance. TWC has officially accepted WSA’s audit for the period beginning on October 1, 2023, which was also officially accepted by TWC on February 26, 2024.

b. County-by-County Update

- The county-by-county expense report FY24 YTD straight-line budget shows 83.43% urban and 16.57% rural.
- The actual county-by-county expense report for January 2024 shows 80.78% urban and 19.22% rural.

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- FY24 Budget Analysis Service Delivery: Formula and childcare funds tend to spike in the summer months when the youth have an increase in work experience and childcare expenditures increase due to children being out of school. Non-formula funds also include a large allocation from Ready to Work, which has seen an increase in tuition and training.
 - CEO Adrian Lopez added that he had a meeting with Judge Kelly from Kerr County, and he expressed some concerns about the formula funds and how the budget was put together. He has requested a meeting to review the summary of the budget. WSA is having discussions about breaking down the service delivery part of the budget a bit more.
- c. Ready to Work Analysis and Update
- WSA has budgeted \$30,192,462 through September 30, 2024. The board currently has a surplus of \$160,540 that is reserved for monitoring questioned costs.
 - Expenditures as of January 31, 2024, show \$7.7 million in tuition and training, \$5.8 million in case management, \$1.7 million in intake and assessment, and \$291,000 in emergency services.
 - Challenges and Opportunities: Addressing fiscal staff turnover, ensuring the program remains fully staffed to provide cash flow management, partner and training provider invoicing, current financial reporting and analysis, implementation of SYNC software, and frequent training and outreach to our partners.
 - Challenge of Management of Cashflow: Tuition reimbursements from the city were completed up to 60 days after WSA paid training providers. To alleviate this challenge, fiscal staff worked with the Ready to Work team to increase the cash advance from \$1,158,264.25 to \$3,505,434.53.
 - Challenge of New Software Implementation: Transition and implementation of the invoicing and reporting of the new software was delayed through January 2024. Transition of the billing process through SYNC is delaying payment of pending invoices to WSA. Billing reports are not 100% available in SYNC, instructions for billing requirements are not clear, and the Funding Guide is being updated to align with billing requirements.
 - As of March 28, 2024, 4,962 applicants have been interviewed, 3,065 have enrolled in approved training, 424 have completed training, and 225 have been placed in jobs.
 - Chair Mary Batch would like to hear some Ready to Work success stories in the future.
 - CEO Adrian Lopez highlighted that the changes with the software are having real impacts on how WSA gets paid. The city requires 100% documentation for every invoice submitted. This is drastically different from what every other funding source requires. WSA does not require the same documentation for the childcare contract with the city. CPO Eric Vryn has been tasked to look at these processes and document the time it takes to submit an invoice, how long it takes to get paid, and describe what the back and forth is.
 - Angela Bush added that the city currently owes WSA \$2M. This impacts how

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and when WSA's pays its subrecipients, which are usually smaller non-profits and cannot wait for funds that long. Gabriela Navarro Garcia added that WSA pays training providers directly. It is possible that if the training providers are not being paid, then will they drop the participant.

- Lisa Navarro Gonzales asked what the board can do to assist because WSA is not a financial institution. CEO Adrian Lopez responded that the board could talk to council members or the Ready to Work advisory board members to provide some relief on the administrative burden.
- d. Financial Monitoring Updates
- COSA fiscal monitoring for period June 1, 2022, through May 31, 2023, is pending to be finalized. The exit conference to review questioned items was conducted with COSA and WSA staff on December 14, 2023.
 - SERCO fiscal monitoring for period April 1, 2022, through February 28, 2023, has been completed on July 5, 2023.
 - C2 fiscal monitoring for period October 1, 2022, through September 30, 2023, is pending to be finalized. The exit conference to review questioned items was conducted with C2 and WSA staff on March 19, 2024.
 - Fiscal integrity reviews are scheduled to be completed by June 3, 2024, for C2GPS, SERCO, and COSA.

VIII. CEO REPORT

Presenter: Adrian Lopez, CEO

a. Applications for Funding

- Letters of support have been provided for the Manufacturing Access Pathways Consortium, Teaching Strategies, LLC., and Together4Children.
- An MOU has been signed with Coastal Bend College to facilitate collaboration on CTE programs.

IX. CHAIR REPORT

Presenter: Mary Batch, Committee Chair

- Chair Mary Batch stated that the board will do whatever it can to assist with the challenges that are being had with the city right now because WSA cannot operate without the financials in order.

X. EXECUTIVE SESSION:

Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee may move into Executive Session for discussion on any issue for which there is an exception to the Act as set out in section 551.071 et. seq. including, but not limited to, the following:

- a. Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;
- b. Government Code §551.071 – All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications Under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;

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- c. Pending or Contemplated Litigation;
 - d. Government Code §551.074 – Personnel Matters Involving Senior Executive Staff and Employees of Workforce Solutions Alamo; and
 - e. Government Code §551.089 – Discussions Regarding Security Devices or Audits.
- None.**

XI. ADJOURNMENT

Presenter: Mary Batch, Committee Chair

Upon motion by Lisa Navarro Gonzales and seconded by Mitchell Shane Denn, Chair Mary Batch adjourned the meeting at 11:56am.