



AUDIT & FINANCE COMMITTEE MEETING MINUTES

Workforce Solutions Alamo
100 N. Santa Rosa, Suite 120
San Antonio, TX 78207
March 5, 2021
10:45AM

BOARD MEMBERS: Mary Batch, Dawn Vernon, Yousef Kassim, Leslie Cantu, Lisa Navarro Gonzales, Anthony Magaro

WSA STAFF MEMBERS: Adrian Lopez, Mark Milton, Louis Tatum, Dr. Andrea Guajardo, Shantelle Artis, Angela Bush, Linda Martinez, Ricardo Ramirez, Michael DeFrees, Melissa Sadler-Nitu, Roberto Corral, Cathi Cohen, Manuel Ugues, Linda Canizales, Joshua Villela, Jessica Villarreal, Brenda Garcia,

Legal Counsel: Frank Burney

PARTNERS: Pooja Tripathi, Alex Lopez

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 Linda G. Martinez at (210) 581-1093.

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, WSA will hold this meeting via videoconferencing. The meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act. For those members of the public that would like to participate, please call toll-free 1-877-858-6860, which will provide two-way communications through a speaker phone. For additional information, please call Linda G. Martinez, (210) 581-1093.

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United States (Toll Free): 1-415-655-0002

Meeting Number & Access Code: 146 703 2876

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During the Public Comments portion of the meeting (Agenda Item 3), 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 AND QUORUM DETERMINATION
Presenter: Mary Batch, Chair
The meeting was called to order at 10:46 AM
- II. DECLARATIONS CONFLICT OF INTEREST
Presenter: Mary Batch, Chair
There are no conflicts of interest.
- III. PUBLIC COMMENT
Presenter: Mary Batch, Chair
There are no public comments.
- IV. DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS MINUTES for NOVEMBER 13, 2020
Upon motion by Ms. Leslie Cantu and 2nd by Dawn Vernon, the Committee unanimously approved the November 13, 2020 Minutes.
- V. BRIEFING – PROCUREMENT
Presenter: Louis Tatum, CFO
Procurement Projects & Contracts Summary
 - Mr. Louis Tatum, CFO provided the Audit/Finance Committee an update on facilities.
 - **Floresville-** McBride Thuney Enterprises has offered 2,300 SQF of space that became available in the current location and a \$20/SQF Tenant Improvement allowance for the facility. The space offered is in the front of the current facility which would provide greater visibility for Workforce Solutions Alamo. By continuing to work with the current landlord we may also be able to negotiate advantageous terms of the holdover period to avoid the additional cost of storage and moving expenses. Additional options in the area were procured but do not provide the amount of space or parking that is conducive to operating a high-quality workforce center. A summary of additional options procured is available upon request.
 - **Marbach - Option 1:** The current space at Marbach Plaza is not the preferred option due to the location of the space. The board is looking for a more desirable location that would attract employers and job seekers. **This space is being offered at \$11.80/SQF, before any tenant improvements.**

- **Option 2:** The Shops at 90 located at 7535 Hwy. 90 West. Although this is an ideal location with significant parking, the building needs a new roof, and the current landlord is not willing to contribute to any tenant improvements. **This space is being offered at \$15.00/SQF, before any tenant improvements.**
- **Option 3:** The location at Port San Antonio is currently a warehouse that is located at 628 Davey Crockett. This space can be customized to the needs of the board, where the landlord is willing to contribute \$80/SQF in tenant improvements. Parking and a renovation project plan will need to be negotiated. **This space is being offered at \$17.00/SQF, before any tenant improvements.**

a. Audit Update

- Mr. Ricardo Ramirez, Director, Quality Assurance provided the Audit/Finance Committee and update on the Financial Auditing Services RFQ
- The 4th and final renewal of WSA's Financial Auditing Services contract with ABIP expired September 30th, 2020, for a total cost of \$65,700. To that purpose, WSA issued a Request for Qualifications (RFQ) for Financial Auditing Services from qualified and experienced accounting firms whose principal officers are independent, Certified Public Accountants (CPAs). The following provides an update on the status of the RFQ.
 - Mr. Ramirez explained the phases of this process.

Phase 1

- On 02/19/2021, Board Staff presented to the Board of Directors the results, ranking, and recommendation regarding the five proposals that were received and evaluated.
- The Board of Directors determined that it would be beneficial to perform an additional assessment of the top two finalists to secure increased assurances concerning the successful completion of the engagement given the short timelines especially during the pandemic.

Phase 2

- Additional written information from the two top finalists was received 02/26/2021. This included a written project plan with information covering the following elements:
 - Engagement activities, working remotely
 - Communication with Board Staff
 - Detailed timeline
 - Best and final offer (costs)
- The additional information is being assessed by the internal evaluation panel.
- The panel will submit its assessment and Phase 2 scores (on 03/02/2021) to the CEO and CFO for final selection and initiation of negotiations with the selected firm.
- ABIP was selected as the finalist for the Financial Auditing Services
- Chair Batch asked if past performance was used as part of the scoring tool?

- Mr. Ramirez replied past performance and references are used in the scoring metrics.
- b. Monitoring Update
- c. CCQ Update
 - Mrs. Jessica Villarreal, Director Childcare, provided an update to the Audit & Finance Committee on the Child Car Quality Contract (CCQ).
 - WSA awarded the Child Car Quality, CCQ, contract to the City of San Antonio on February 1, 2021 and is in the process of transitioning contract.
 - A sixty-day contract transition period has been determined in the best interest of both contractors, the staff and program. Currently, the City of San Antonio is in the process of interviewing staff, priority will be given to current staff that interested in remaining on board. All staff should be on boarded to the City no later than March 22, 2021. We are currently on target for an April 1, 2021 final contract transition date.

VI. FISCAL UPDATE DISCUSSION AND POSSIBLE ACTION

Presenter: Louis Tatum, CFO

a. Financial Reports

- Mr. Louis Tatum, CFO provided financial report update to the Audit & Finance Committee.
- Financial reports through January 31, 2021, have been prepared for the fiscal year of October 1, 2020, through September 30, 2021, the straight-line expenditure benchmark is approximately 33.33% of the budget. An analysis has been performed outlining Corporate and Facility Budgets, as well as the Grant Summary Report.
- While COVID 19, inclement weather, and unemployment continue to present challenges for the local community, WSA evaluates the needs of local employers and job seekers while they continue to navigate these challenges by providing resources to the local communities.
- **Corporate expenditures** are currently expended at a rate of 25.38% of the annual budget, which represents a budget surplus of approximately 7.55% of the approved budget. The most significant budget surpluses are in infrastructure related equipment and related service agreements, insurance, marketing, and professional services. WSA expects these expenditures to materialize as the year progresses.
- **Facility Budget** - The facility's budget is currently expended at a rate of 35.46% which represents a deficit of 2.13% of the budget. Furniture expenditures for the Seguin renovation were budgeted in September of FY21 but did not occur until FY22. WSA will reflect this change in a future budget amendment.
- **Active Grants** –
 - **TANF** - Grant is underspent by 19% due to the suspension of the work requirement. Contractor and Board staff are working on additional initiatives to increase expenditures.
 - **Bexar County & COSA** grants will be sully expended.
 - Plans are in place to expend funds for all active grants

VII. CEO Report

Presenter: Adrian Lopez, CEO

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- Mr. Lopez updated the Audit & Finance Committee on the hiring a new Procurement Director and incumbent will start on March 20th.
- On December 28, 2020, the Board approved a PEO and the approximate transition date is April 1, 2021. There will be cost efficiencies associated with their system.

VIII. Chair Report

Presenter: Mary Batch, Chair

- Chair Batch expressed her gratitude and appreciation to Board Staff for their hard work and dedication. She acknowledged Mr. Tatum for providing detailed explanation on financial reports, very easy to understand.

IX. **Executive Session: NONE**

Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee may recess 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:**
- c. **Pending or Contemplated Litigation; and**
- d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Workforce Solutions Alamo.**

X. Adjournment

Presenter: Mary Batch, Chair

Upon motion by Ms. Leslie Cantu and 2nd by Mr. Yousef Kassim, the Committee adjourned at 11:40 AM.