



AUDIT & FINANCE COMMITTEE MEETING MINUTES

Workforce Solutions Alamo
100 N. Santa Rosa, Suite 120
San Antonio, TX 78207
March 4, 2022
9AM

BOARD MEMBERS: Mary Batch, Ernest de la Rosa, Yousef Kassim, Leslie Cantu, Mitchell Shane Denn, Lisa Navarro Gonzales, Esmeralda Perez

WSA BOARD STAFF: Adrian Lopez, Caroline Goddard, Dr. Andrea Guajardo, Angela Bush, Linda Martinez, Roberto Corral, Chuck Agwuegbo, Belinda Gomez, John Hershey, Ricardo Ramirez, Manuel Ugues, Jeremy Taub, Trema Cote, Brenda Garcia, Gabriela Horbach, Rick Zamarripa, Trema Cote

LEGAL COUNSEL:

PARTNERS: Mike Ramsey

AGENDA

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

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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 communications through a speaker phone. For additional information, please call Linda G. Martinez, (210) 272-3250.

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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, Committee Chair
The meeting was called to order at 9AM
- II. DECLARATIONS CONFLICT OF INTEREST
Presenter: Mary Batch, Committee Chair
There are no conflicts of interest
- III. PUBLIC COMMENT
Presenter: Mary Batch, Committee Chair
There is no public comment
- IV. DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS MINUTES
for November 12, 2021, Meeting.
Presenter: Mary Batch, Committee Chair
**Upon motion by Board Chairwoman Ms. Leslie Cantu and 2nd by Board
Member Ms. Lisa Navarro Gonzales, the Committee unanimously approved
the November 12, 2021, minutes.**
- V. PROCUREMENT (DISCUSSION AND POSSIBLE ACTION)
Presenter: Angela Bush, CFO
 - a. Procurement Projects & Contracts Summary
 - Ms. Bush provided the Audit & Finance Committee a summary on the Procurement and Contracts.
 - Request for Proposal, (RFP) for Youth Services
 - Request for Applications, (RFA) for Gift Card Services
 - Request for Proposal, (RFP) for Annual Janitorial Services
 - Request for Proposal, (RFP) for Program Monitoring
 - Request for Proposal, (RFP) for HVAC Services
 - Request for Proposal, (RFP) for Ready to Work Financial Management Support
 - Request for Proposal, (RFP) for Ready to Work Monitoring Services

- Ready to Work Financial Management Support: Ready to work will consist of six additional sub recipients where WSA is the fiscal agent.
- b. RFP Update: Youth Contract
 - The Youth Committee's first meeting will be on March 11, 2022, and with input from independent evaluators and key staff, the Youth Committee will make the final recommendation to which will be taken to the Board of Directors, the estimated budget is \$2,500,000.
- c. Approval of Procurement Consultant
 - An external Procurement Consultant is being requested to improve current procurement departments process and procedures.
 - A cost analysis has been completed and \$25,000 was proven as a reasonable cost before the Request for Proposal was released.
 - WSA Board Staff is recommending The Syndicate Wave, the firm with the highest overall score.
- d. Approval of Managed Security Services
- e. Approval of Cloud Migration Services
 - Dr. Guajardo provided background on information technology timeline
 - June -July 2020- CIO position created June 2020
 - WSA committed to the transformation of its IT environment with a focus on cybersecurity, network management, and cloud migration
 - November 2020 New staff: Director of IT
 - January-August 2021 - Mitigate risk, Cisco enterprise solution, backup, and disaster recovery/DLP, endpoint/firewall security, disk encryption, MFA, security awareness training
 - August 2021 – February 2022 New staff: Senior Systems Administrator
 - Network optimization assessment
 - Procurement of managed services for Security Operation Center, Cloud Migration, and Network Management
 - Mr. Chuck Agwuegbo, Director of Information Technology, provided the Audit & Finance Committee background and summary for the request for approval to acquire managed security services. He provided the phases of each implementation, Phase 1: Security Operation Center; Phase 2: Cloud Migration; Phase 3: Managed Services. Mr. Agwuegbo also explained the justification for a staggered implementation approach.
 - WSA is requesting approval of two managed services namely, cloud migration and Security Operation Center (SOC) Service. These services will offload management of the server infrastructure and security oversight to third party vendors who have the tools and resources to support an operation 24/7 and have the resources to be proactive with management. By implementing this solution, WSA will be more secure and allow the team to be more focused on innovation.
 - A cost analysis was completed and the annual cost to implement both solutions in house versus the proposed outsourcing solution. Implementing both solutions in house will be approximately three times the annual cost of a managed solution and quadruple the time of implementation. In addition, an in-house solution we would have to hire additional staff to implement and support the solution. The annual outsourcing cost for the

Security Operation Center solution is **\$104,620.46** and the annual cost for the Cloud migration is **\$200,000 + \$30,000** onetime fee.

- f. Approval of LK Jordan Temp Agency Contract Increase
- The board is currently experiencing a higher-than-average amount of attrition due to the current labor market. We are requesting to increase the temporary staffing budget to assist with short term projects, implementation of new awards (such as Ready to Work), and assistance with daily business activities.
 - A cost analysis was completed in the Fall of 2021 and LK Jordan was awarded the Request for Proposal in the amount of \$75,000. Board Staff is requesting to increase this budget to \$225,000, an additional \$150,000. In the event LK Jordan cannot fulfill our needs, there is an alternate vendor we can use.

Upon motion by Board Member Mr. Yousef Kassim and 2nd by Board Member Ms. Lisa Navarro Gonzales, the Committee unanimously approved Procurement agenda items V. c-f.

- g. Introduction of New Procurement Director

VI. FISCAL (DISCUSSION AND POSSIBLE ACTION)

Presenter: Angela Bush, CFO

a. Financial Reports

- Ms. Bush provided the Audit & Finance Committee with a breakdown on WSA's financials through January 31, 2022, Financials have been prepared for the fiscal year October 1, 2021, through September 30, 2022, the straight-line expenditure benchmark is 33.33% of the budget. An analysis has been performed outlining Corporate and Facility Budgets.
- Through the continued support from the WSA Board of Directors, Texas Workforce Commission, Local Officials, Committee of Six, and Workforce Solution Alamo Executive Leadership, we have been able to strategically respond to the needs of both job seekers and employers throughout the region.
- Ms. Bush also noted that Service Delivery Urban versus Rural is approximately 18% for Rural and 82% for Urban. The target is 80% Urban and 20% Rural based on TWC Budget Allocations. In addition, she provided a breakdown of other budgetary items.
 - o **TANF**- The board is expecting to become eligible to request 10% of TANF for a Special initiative, for Youth Prevention Services such as Sex Trafficking
 - o **SNAP** – An additional SNAP allocation is expected in March of 2022, that will more closely align expenditures.
 - o **RESEA**- This grant reaches out to long term unemployment recipients to re-engage them in the workforce system. Performance is currently at 96% of the performance target. WSA is on target to expend this grant by 12/31/2022.
 - o **Military Family Support**- This grant will support Military Spouses; we are focusing on outreach to increase participant in this grant. We expect to expend this grant by 12/31/2022.
 - o **Texas Industry Partner Grants**: All TIP reimbursements are in process and are expected to fully expend within grant period.

- **Pilot Navigator Program:** New Program that select boards are participating in to outreach to victims of sex trafficking. The Navigator was hired in January of 2022, and we expect expenditures to materialize.
 - **National Dislocated Worker Grants:**
 - COVID 19: Grant was extended through March 31, 2023; WSA was awarded an additional \$1.9 million dollar; the total grant value increased to \$6,452,066.
 - Winter Storm Grant: WSA was recently approved to increase participant training to increase expenditures; the total grant value \$280,906.
 - **Skills Development Fund:** Lone Star National Bank was awarded over \$500,000; the first training cohort has been completed, and we expect to see additional expenditures in the next 30-60 days. The TWC check presentation occurred on March 3, 2022.
- b. Financial SIR Child Care – Jessica Villarreal, Child Care Director
- Ms. Jessica Villarreal, Director Child Care provided the Audit & Finance Committee with an update on the Service Industry Recovery, (SIR). This initiative is to address the impacts of COVID-19 and to support Texas' continued economic recovery. This childcare program is to assist low-wage workers in TWC-specified service industries who generally operate in close quarters with their customers and whose jobs cannot be accomplished remotely. While TWC is targeting aspects of the service sector with SIR childcare, all families continue to have access to TWC's regular low-income childcare subsidy program.
 - The highlights for this program are: 12 months of eligibility; \$0 parent share of cost; and less required eligibility documentation
 - The eligibility requirements are:
 - At least one parent must be currently employed or entering employment in one of the following TWC-specified service industries:
 - Arts, Entertainment, and Recreation: NAICS 71
 - Accommodation and Food Services: NAICS 72
 - Retail Trade: NAICS 44-45
 - The parent requires childcare services to work.
 - One-parent households must be working a minimum of 25 hours per week and a two-parent household must be working a total of 50 hours per week to qualify.
 - The family income is at or below 75 % of SMI
 - The child:
 - is under age 13 (or, at Board option, under age 19 if disabled).
 - has legal citizenship or immigration status; and
 - resides with a family (including with an individual standing in loco parentis) within the Alamo local workforce development area.
 - Enrolled children must meet attendance standards
 - WSA's unofficial report for February 2022 is reflecting enrollment of 1,796 children.

- This is currently 39% of the 4598-target set by Texas Workforce Commission (TWC). SIR enrollment efforts began August 1, 2021.
 - Alamo has shown growth averaging between 240 & 290 children per month, from August to December and continues to show growth in SIR enrollment.
 - She noted that projected estimates, show that if enrollment continues at an average of 250 children each month, by the end of March 31st, WSA's enrollment could potentially reach 2,086. This would leave a shortfall of 2512 enrollments. As a result, WSA could potentially complete at a little more than 50% of 4598 target.
 - Ms. Villarreal also informed the Committee that many parents in these industries were hesitant because this initiative is only for one year. Many of them do not want to lose their slot on the childcare waiting list. To alleviate this concern, Child Care Staff is manually tracking the list so that those parents do not lose their slot on the waiting list.
 - Alamo is the top performing in childcare.
- c. Budget Amendment #1
- Ms. Bush provided the Audit & Finance Committee a breakdown of the budget amendment #1.
 - The budget will increase by \$13,947,203 from \$161,325,865 to \$175,273,068. This is a result of carry over funding from FY21.
 - **Personnel budget** has not changed from the initial budget however, due to flat insurance rates and staffing changes, the budget encompasses the following changes:
 - Staff COLA/Merit increases retroactive to 10/1/2021 of \$120,000
 - Internships for MIS and Fiscal \$60,000
 - Additional Ready to Work Staffing \$50,000
 - Contingency for Personal Time Off Buy Back \$60,000
 - **Staff Training \$125,000:** Annual staff leadership and development was procured at \$115,000 to include executive coaching, leadership development, and culture assessment and development. An additional \$10,000 is budgeted for month staff training to increase awareness of cyber security.
 - **Equipment/Software \$70,000:** Technology upgrades and additional equipment for new staff, to replace end of life equipment. Additional software and maintenance agreements to support IT and upgrading the security of the board's infrastructure.
 - **General Office Expenses \$60,000:** Increase in office supplies and cost that support in the implementation of the local plan to increase engagement of local partners and employers.
 - **Professional Services \$400,000:** Additional budget for Professional Services include legal fees related to employee matters (\$25,000), increase in temporary staff (\$225,000) to assist with implementation of new awards and assist temporary short term staffing needs, and budget of (\$150,000) for the Data Contract previously presented to the board by UTSA.
 - Chair Batch asked for specifics on the \$150,000 for Data Contract. Dr. Guajardo explained this is a follow-up to the Return on Investment and

this will be an assessment on the economic impact study to engage with a data team that will evaluate our education partners.

- d. Staff Performance Review – Cost of Living Allocation and/or Merit
 - Staff presented this request to the Board of Directors in October of 2021. The board has requested that executive leadership revisit a performance-based merit increase for FY22, taking into consideration that a Cost-of-Living Allocation was issued in September of 2021. Executive leadership will review FY21 goals and training objectives and make recommendations for a FY22 merit-based increase. A recommendation will be presented to the Audit and Finance Committee, the Board, and the Committee of Six in the first quarter of FY22.
 - **Upon motion by Board Member Mr. Yousef Kassim and 2nd by Board Member Ms. Lisa Navarro Gonzales, the Committee unanimously approved the Budget Amendment #1 and Staff Performance Review – Cost of Living Allocation and/or Merit.**
- e. Fiscal Agent Transition
 - Ms. Bush explained that the Board reverted to the fiscal agent model that was previously utilized for C2GPS. The Contractor, C2GPS, is responsible for accumulation of all supporting documentation, entry into the Board’s financial system, and is accountable for all regulatory and compliance or program and financial records. The Board will perform a cursory review of the data and supporting documentation, post to the Board’s financial system, and generate vendor payment.
 - **Benefits of Fiscal Agent:**
 - o Eliminates the need for a Cash Advance.
 - o Improves Financial Report Processes.
 - o Additional layer of review and support from board staff.
 - o Contractor staff and fiscal staff are also co-locating to strengthen the partnership.
- f. Audit Update- March 14, 2022

VII. CEO REPORT

Presenter: Adrian Lopez, CEO

- a. SA Ready to Work Contract
 - CEO Lopez updated the Audit and Finance Committee on the SA Ready to Work initiative. This is funded by a 1/8-cent sales and use tax collected through December 2025. SA: Ready to Work is a one-of-a-kind program to help San Antonio residents find easy access to education and to quality jobs.
 - City of San Antonio awarded WSA \$102,390,463, (56%) and of this \$60,042,128 will be for tuition.
 - o The \$200M program offers SA residents the following benefits:
 - Tuition
 - Support Services
 - Emergency Funding
 - Job placement Services
 - o Program eligibility:
 - 18 years old when applying for the program
 - Permitted to work in the US

- Income less than 250% of federal poverty guidelines (\$33,975 for an individual, or \$69,375 for a household of four)
 - Not currently employed in college courses at intake
 - Willing to take an assessment relating to barriers, academics, skills aptitude, and workplace readiness
 - Committed to complete the program
- b. Good Jobs Challenge
- \$25M application submitted to Department of Labor and we should hear back within the next few months.
- c. New Grants
- Lone Star National Bank was awarded \$150,000

VIII. CHAIR REPORT

Presenter: Mary Batch, Committee Chair

Chair Batch commended Board Staff, especially, Ms. Jessica Villarreal and Ms. Angela Bush.

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, Committee Chair

Meeting adjourned at 10:02AM.