



AUDIT & FINANCE COMMITTEE MEETING MINUTES

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

May 26, 2022

9AM

BOARD MEMBERS: Mary Batch, Yousef Kassim, (9:04am); Leslie Cantu, Mitchell Shane Denn,

WSA BOARD STAFF: Adrian Lopez, Katherine Pipoly, Caroline Goddard, Dr. Andrea Guajardo, Angela Bush, Linda Martinez, Chuck Agwuegbo, Belinda Gomez, John Hershey, Manuel Ugues, Jeremy Taub, Brenda Garcia, Gabriela Horbach, Penny Benavidez, Angie Garcia, Joshua Villela, Rebecca Espino Balencia

LEGAL COUNSEL: none

PARTNERS: none

Guest(s): Janet Pitman, ABIP Auditors

AGENDA

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

Citizens may appear before the Board 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 Martinez at (210) 272-3250.

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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**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, 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 March 4, 2022 Meeting Minutes
Presenter: Mary Batch, Committee Chair
**Upon motion by Board Chairwoman Ms. Leslie Cantu and second by Board
Member Mr. Mitchell Shane Denn, the Committee unanimously approved the
March 4, 2022 minutes.**
- V. RATIFICATION OF THE SAN ANTONIO READY TO WORK CONTRACT
(DISCUSSION AND POSSIBLE ACTION)
 - CEO Lopez deferred to Mr. Jeremy Taub, Procurement and Contracts Director to provide the summary of the SA Ready to Work contract to the Audit and Finance Committee. CEO Lopez also requested that the contract be included in the Executive and Board of Directors packets.
 - Mr. Taub, explained this is funded by a one-eighth-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. The \$200M program offers SA residents the following benefits:

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- Tuition
 - Support Services
 - Emergency Funding
 - Job placement Services
- CEO Lopez added an amendment has been approved by City Council in the amount of **\$3.3941M** to the contract however it has not been executed.
 - CFO Angela Bush added this additional funding is for emergency services related to SA ready to Work.
 - Chairwoman Cantu asked if the contracts states that all the funds go directly to WSA or does the contract outline which amounts go to partners for which activities. CEO Lopez stated all funds will come directly to WSA and WSA is the fiscal agent for the consortium. Letters of Intent will be distributed to the contractors/partners. Funding will be distributed based on the approved schedule of performance and based on the submitted budget.

Upon motion by Board Chairwoman Ms. Leslie Cantu and second by Board Member Yousef Kassim, the Committee unanimously approved the ratification of the San Antonio Ready to Work contract.

VI. FY 21 AUDIT (DISCUSSION AND POSSIBLE ACTION)

Presenter: Janet Pitman, ABIP Partner

a. Annual Audit

- Ms. Janet Pitman, ABIP Partner provided an overview of the audit for the fiscal year ending September 30, 2021. The Financial Audit, Unmodified (clean opinion). There were no modifications; no control findings to report. Ms. Pittman added the audit included additional funding from Bexar County and CoSA and there were findings.
- CEO Lopez acknowledged Board Staff for all their hard work especially with the pandemic constraints and additional funding that came from both Bexar County and CoSA. Chair Batch also acknowledged CFO Bush and the Fiscal Team for a job well done.

Upon motion by Board Member Mr. Mitchell Shane Denn and second by Board Chairwoman Ms. Leslie Cantu, the Committee unanimously approved the audit report for FY 2021.

VII. PROCUREMENT (DISCUSSION AND POSSIBLE ACTION)

Presenter: Jeremy Taub, Director and Contracts Director

- Mr. Taub briefly reviewed the below Request for Proposals with the Audit & Finance Committee.
- a. Procurement Projects & Contracts Summary
 - i. RFP Update Managed Security Services
 - RFP 2022-011 – This is to purchase of Cyber Security Operation Center. The Scope of services provides Security Operations Center services for a centralized security solution that proactively detects and responds to threats/security incidents. It is anticipated the services will contribute to an increased cybersecurity posture to promote a proactive state of monitoring and responding to security vulnerabilities and incidents. The estimated budget for this project is \$104,000 annually, and the contract term is for an initial 12-month period with (3) three

one-year options to renew. as requested by the Department of Information & Technology Services.

ii. RFP Update Cloud Migration Services

- RFP 2022-012 – This purchase of Information Technology Cloud Migration Services; The scope of work provides implementation and hosting services for cloud migration for WSA to house its applications and services currently hosted in its datacenter. It is anticipated the cloud services will enable WSA to switch from a reactive technology environment to a proactive and innovative environment with an expected uptime of at least 99.99%. The estimated budget for this project is \$100,000 annually, and the contract term is for an initial 12-month period with (3) three one-year options to renew as requested by Department of Information & Technology Services.

iii. RFP Update: Youth Contract

- RFP 2022-006 – This purchase of Management and Operation Services for the Youth Programs in the Alamo Region. The scope of services requested by Workforce Solutions Alamo Board are for the management and operation of the WIOA Youth Program to provide staffing, labor, and materials for the provision of services to eligible youth throughout the Alamo region. The estimated budget for this project is \$2,500,000 annually, and the contract term is for an initial 12-month period with (3) three one-year options to renew, as requested by The Workforce Programs Department.

b. Ready to Work

- City of San Antonio voters approved the SA: Ready to Work ballot initiative, authorizing a 1/8th cent sales and use tax for a period of four years to provide workforce development training and higher education to unemployed, underemployed, or underserved residents to obtain high-demand, well-paid careers, in accordance with Chapter 379A of the Texas Local Government Code ("the Better Jobs Act"). There is no further action requested at this time. This initiative Workforce Solutions Alamo (WSA) executed an agreement with the City of San Antonio to provide the services necessary to the SA: Ready to Work program (the "Program") which includes the following objectives: increase access to industry-recognized certification training and college; provide wraparound services and emergency funding to ensure successful completion of training and career placement; increase collaboration within the workforce ecosystem; and promote accountability and adaptability throughout the process.
- The City of San Antonio wishes to partner with Workforce Solutions Alamo to provide services necessary to implement the Program, namely intake, initial assessment, and case management services, which shall include educational guidance and enrollment, career guidance, job placement, and wraparound services to ensure success.
- The award amount for this contract is \$102,390,463 and funded through a grant from by the City of San Antonio. The term of

this agreement begins on May 13, 2022 and will be for a three (3) year period unless sooner terminated in accordance with the provisions of this Agreement.

- These services will be provided by the WSA and its subcontractors, shall be performed in a manner consistent with the scopes of work, methodologies, work plans, and costs described by City of San Antonio, proposed by WSA, and in accordance with the contract and its provisions.
- Mr. Taub also updated the Audit & Finance Committee on the Small, Minority, Women, and/or Veteran Owned Business Enterprises Diversity Program, SWMVBE.
- The Board is currently at 19.8% of its goal of 20% of expenditures to SMWVBEs. Through March 31, 2022 there are 17 Total vendors.
- Committee Chair Batch noticed there were no veteran owned businesses and Mr. Taub informed the committee that the procurement consultant is a veteran owned business but did not make it into the report. This will be updated for the upcoming committee meeting.

VIII. FISCAL (DISCUSSION AND POSSIBLE ACTION)

Presenter: Angela Bush, CFO

- Ms. Angela Bush provided an overview of the below items.

a. Financial Reports

- Financial reports through March 31, 2022, have been prepared for the fiscal year October 1, 2021, through September 30, 2022. The straight-line expenditure benchmark is 50.00% of the budget. The board regularly analyzes Corporate and Facility Budgets and the Grant Summary Report to monitor budgets against actual expenditures.

- The agency currently has expensed 44.12% and has savings through vacant positions and staff turnover. The under expenditures are due to pending Cost of Living Allocation, COLA, and merit increases. Ms. Bush also discussed the budget to actual corporate expenditures and explained the key variances for TANF, SNAP, RESEA, Military Family Support, Texas Industry Partner Grants (TIP), Pilot Navigator Program, Trade Act, Rapid Response, Workforce Commission Initiatives Grant, Summer, Earn and Learn, (SEAL), Skills Development Fund, and National Dislocated Worker Winter Storm.

b. Update Child Care Funding

- Child Care Development Funding, including Child Care Quality Activities, is the most significant single component of the annual budget.

- The board received an additional \$4,803,249 in childcare funding increasing the childcare budget from \$89,359,402 to \$94,162,651. The board is currently 44% against a straight-line target of 50%. The cost of care typically increases during the summer months due to children being out of school for the summer. Additionally, as of April 30, 2022, the Board has expended \$672,645 in the following quality categories:
 - o Provider Staff Direct Incentives: \$116,400
 - o Provider Staff Bonuses (Q1): \$446,000
 - o Client Scholarships: \$4,420
 - o Quality Provider Incentives: \$105,825

Total \$ 672,645
- The annual budget will increase by \$4,803,249. The Board has made a great deal of progress in the last few months in issuing provider payments.
- c. Update TWC Monitoring
 - On an annual basis Texas Workforce Commission reviews financial, compliance, and contract requirements. This review period is from July 1, 2020 – to June 30, 2021. This review identified opportunities to strengthen management controls and support compliance with contract requirements. The Board is responsible for providing its Partners, Subrecipients, and Contractors with these findings and areas of concern and following up to ensure that any needed corrective actions are completed.
 - The monitoring report identified one finding and one area of concern. The Board failed to revoke TWIST Access in a timely manner. Out of 23, 14 files tested, (61%) TWIST access was not terminated immediately for staff no longer required to access the system. Access was revoked three to 80 days late.
 - As a result, the Board should strengthen its process to ensure it follows its policies and access to TWIST is revoked immediately for staff no longer required to access the system.
 - Two areas of concern were 1) Professional Employer Organization procurement, two conflict of interest forms for evaluators, were signed but not completed. 2) Child Care Evaluator Request for Qualification (RFQ). For the childcare subrecipient procurement, three independent evaluation proposals were not submitted timely and were not scored. The Request for Qualifications issued for the hiring of evaluators stated the evaluation criteria and the deadline to submit a proposal. Five proposals were received, all after the due date, and the procurement file did not contain the evaluation scores for the three evaluators selected. The Board later reclassified the cost of the evaluators to non-TWC funding.
 - o TWIST Access: The Board has 45 days to respond to the audit report dated May 16, 2022, to address the finding revoking TWIST access. The Board will strengthen policies and procedures and put additional controls in place to ensure timely access is terminated.
 - o Procurement: The Board has contracted with a procurement consultant to perform, analyze, and make recommendations to strengthen the

- procurement department's processes and procedures. We anticipate updating the policies and procedures and
 - o implementing additional measures to strengthen procurement by the end of the fiscal year.
- Ms. Bush explained to the Committee that a Corrective Action Plan will be implemented to clear the finding in subsequent reviews are terminating TWIST access promptly. Additionally, continue to strengthen the procurement process and procedures.

IX. CEO REPORT

Presenter: Adrian Lopez, CEO

- CEO Lopez provided the Audit & Finance Committee with new grant funding received.
- a. New Grants
 - Additional \$4.8M funding for childcare and with this funding, WSA will use to reduce the childcare waiting list.
 - \$137,000 was received from the San Antonio Area Foundation and this funding will be utilized on the Workforce Academy and the industries that WSA works with.
 - CEO Lopez also thanked the Board for their approval of the budget which allowed staff merits and cost of living allocation.
 - We estimated that 10%-15% childcare providers were lost due to COVID. The additional childcare funding received will provide
 - WSA Board Staff are looking to assist Uvalde residents with stuff animal drive and other opportunities

X. CHAIR REPORT

Presenter: Mary Batch, Committee Chair

- Chair Batch reminded everyone to keep safety at the forefront in light of what has happened in Uvalde especially in our childcare centers.

XI. **Executive Session: 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.**

XII. ADJOURNMENT

Presenter: Mary Batch, Committee Chair

Board members Yousef Kassim motioned to adjourn. Meeting adjourned at 9:50am.