



AUDIT & FINANCE COMMITTEE MEETING - MINUTES

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

February 9, 2024

10:30 AM

BOARD OF DIRECTORS: Mary Batch (Chair), Yousef Kassim, Lisa Navarro Gonzales

STAFF: Adrian Lopez, Adrian Perez, Angela Bush, Caroline Goddard, Christine Dever, Chuck Agwuegbo, Gabriela Navarro Garcia, Jeremy Taub, Kristen Rodriguez, Teresa Chavez, Trema Cote, Vanessa McHaney, Gabriela Horbach, Manuel Ugues, Roberto Corral, Brenda Garcia, Chakib Chehadi, Ramsey Olivarez, Alfred Salazar, Dr. Ricardo Ramirez, Jamesetta Stallion-Head

PARTNER STAFF: Richard Alcabes

LEGAL COUNSEL: None

GUESTS: None

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 communications through a speaker phone. For additional information, please call Caroline Goddard, (210) 322-6296.

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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 10:32am, 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 NOVEMBER 13, 2023

Presenter: Mary Batch, Committee Chair

Upon motion by Yousef Kassim and seconded by Lisa Navarro Gonzales, the Committee unanimously approved the previous meeting minutes for November 13, 2023.

VI. PROCUREMENT UPDATES (DISCUSSION AND POSSIBLE ACTION)

Presenter: Jeremy Taub, Director of Procurement and Contracts

a. Contract Summary and RFP Updates

- Access Control Equipment is under contract with an anticipated award date in February 2024.
- Lease property search for Kerrville is pending award for February 2024.
- Teacher Externships is pending award for February 2024.
- Lease property search for Hondo is in progress with an anticipated award date in July or September 2024.
- Child Care Quality Services is in progress with an anticipated award date in June

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- 2024.
- Professional employer services is open with an anticipated award date in March 2024.
- Evaluator services for CCQ RFP is in progress with an anticipated award date in April 2024.
- Temporary staffing services is in progress with an anticipated award date in April 2024.
- b. Purchase of Teachers Externship Services
 - The proposed contractor, Alliance for Technology Education in Applied Math and Science (ATEAMS) will work with educators to enhance their teaching practices through professional development to create and implement externship focused lessons. The term is a twelve-month contract with four one-year renewals in the estimated annual amount of \$162,251, contingent upon award of TWC grant funds.

Upon motion by Lisa Navarro Gonzales and seconded by Yousef Kassim, the Committee unanimously approved Alliance for Technology Education in Applied Math and Science (ATEAMS) for the purchase of Teachers Externship Services.
- c. Purchase of Phone System Cloud Migration Services
 - This item was pulled from the agenda and will be discussed in a future meeting.
- d. Purchase of Cyber-Security Solution Suite Software Licenses
 - This item was pulled from the agenda and will be discussed in a future meeting.

VII. FISCAL UPDATES (DISCUSSION AND POSSIBLE ACTION)

Presenter: Gabriela Navarro Garcia, Controller

- a. Financial Reports
 - The straight-line target is 25%, total expensed is 19.44%, and the year-to-date variance is 5.56%.
 - Personnel: Staff training and development will be happening within the following months.
 - Equipment: Most significant budget surplus is the cloud-based infrastructure and replacement of computers exceeding useful life.
 - General Office: The primary budget surplus is due to timing differences, marketing, and the insurance contingency.
 - Professional Services: Variance is primarily a timing difference in legal, audit, and monitoring. Legal and professional services related to temporary staffing services are utilized as needed to support the agency.
 - Board Training & Development: The board retreat is scheduled in March.
 - Facilities: Facility expenditures represent 19.09% of the approved budget, reflecting a 5.91% straight-line budget surplus. Significant items contributing to this are the mobile workforce center unit and the Port of San Antonio.
 - Special Projects: Workforce Commission Initiatives – WSA will continue to provide Career Pathway Youth Events.
 - Year-to-Date Service Delivery for Rural & Urban: COSA Childcare – 18% rural

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and 82% urban, Ready to Work – 100% urban, C2GPS Adult Services Bexar County Funding Only – 100% urban, C2GPS Adult Services – 21% rural and 79% urban, and SERCO Youth – 51% rural and 49% urban.

- Key Variances: 24TANF – Grant is currently on track and expecting to fully expend by the end of the contract on October 31, 2024, CSL Contracted Slots – Program ended on December 31, 2023, and 23WPA Employment Services – Contract ended on December 31, 2023, expensed 96.03%, and returning \$40,487. Angela Bush added that this \$40,487 is from the additional \$325,000 of funding that TWC sent. Original grant monies were fully expended.

b. Budget Amendment #1

Presented by: Angela Bush, CFO Consultant

- This budget amendment includes a reconciliation of projections to actual awards and FY23 grant closeouts.
- Budget is increasing by \$5,755,950 representing a 3% increase from \$192,112,907 to \$197,870,857.
- Summary of Increases: Corporate - \$110,000, Reserve - \$110,802, Projects - \$155,666, and Service Delivery - \$5,381,842.
- Corporate Expenditure Increases: Marketing at \$50,000 for general marketing promoting initiatives that are not program specific, Payroll Service Fees at \$10,000 for payroll services that are currently being procured and additional costs may be incurred if there is a change in vendor, and Non-Federal at \$50,000 is reserved for unforeseen general expenditures that cannot be charged to TWC.
- Lisa Navarro Gonzales asked if WSA is looking to go from a payroll service to a PEO. Angela Bush answered that WSA is currently on a PEO and the reason for the RFP is because the contract is at the end of the 3-year period, and it needs to go up for rebid. Lisa Navarro Gonzales also asked if WSA has reached out to ADP to give them an opportunity to bid on the RFP. Jeremy Taub answered that he would need to review the bid list because there were many vendors that this was sent out to. Lisa Navarro Gonzales also asked if the benefits were being rolled into the PEO. Angela Bush answered that the benefits are not rolled into the PEO. The cost is the same, however, WSA has a higher level of benefits due to being a small employer. Staff has a choice between a base, mid, and buy up plan.
- Reserve and Special Project Increases: Reserve is for additional surplus projected from SEAL and Ready to Work. The total expected FY24 surplus is \$325,000, of which \$250,000 is from Ready to Work, reserved for any questioned cost until program completion and final audit. For Projects, San Antonio Area Foundation and the Aspen Institute were extended into FY24. These programs support capacity building, the Workforce Academy, and the Aspen Institute.
- Service Delivery Significant Changes: TANF (\$1,164,611) – This decrease aligns TANF back to historical spending rates, WIOA Upskill and Training \$170,471 – New TWC initiative focusing on training for high-demand occupations, Ready to Work \$3,697,343 – This is a three-year award for approximately \$65M and the projection through FY24 is \$44M, Child Care Discretionary has an increase of \$1,518,051, Child Care Mandatory (\$1,551,657)

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– Additional funding can be requested as needed for protected populations, Child Care Quality \$568,479 – For operations, and Child Care Quality Providers has an increase of \$2,450,000.

Upon motion by Lisa Navarro Gonzales and seconded by Yousef Kassim, the Committee unanimously approved Budget Amendment #1.

c. Ready to Work Analysis and Update

- WSA’s fiscal department serves as the fiscal agent for the Ready to Work partners. WSA originally budgeted \$27,776,304 through September 30, 2024, but with the budget amendment it has increased to \$31M. As of December 31, 2024, Ready to Work expenditures are \$15,397,169.31. The board currently has a surplus of \$243,507 that is reserved for monitoring questioned cost.
- 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 training and outreach to our partners.
- Challenge of Management of Cashflow: Tuition reimbursements from the City of San Antonio were completed up to 60 days after training providers are paid by WSA. 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: Ready to Work has moved to a Salesforce based platform in December 2023. Salesforce will minimize the aging of the tuition reimbursements. Transition and implementation of the invoicing reporting of the new software was delayed through January 2024. At the end of January 2024, the City of San Antonio has given full instructions of the new billing process and requirements.
- Ready to Work Numbers: As of December 12, 2023, 4,363 applicants have been interviewed, 5,482 have enrolled in approved training, 808 have successfully completed training, and 398 have been placed in jobs.
- Lisa Navarro Gonzales asked what is being done to increase the numbers of those who successfully completed training for Ready to Work. Christine Dever responded that the number of those who have successfully completed training only includes those who are certified and not those who have only completed the training. She also added that there are bachelor’s and associate’s degree programs that take longer to complete. CEO Adrian Lopez stated that there are some categories that are missing in the reporting such as the number enrolled in training, the number of those still in training, the number of those who have dropped out, and the number of those who have completed but not received a certification yet.

d. TWC FY22 Audit Acceptance

- TWC has reviewed WSA’s annual audit and determined that it complies with the U.S. Code of Federal Regulations, Uniform Guidance, and State of Texas Grant Management Standards. TWC has officially accepted the audit for the period ending on September 30, 2022, on November 21, 2023, submitted to the Federal Clearing House before June 30, 2023.

e. FY23 Audit Engagement & Timeline

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- The audit for WSA for the fiscal year ended September 30, 2023, is scheduled to be performed by ABIP, PC. The board has budgeted \$75,000 for the annual audit; the initial engagement is quoted at \$67,050.00.
- The field work will be complete by April 19, 2024, with the final report on May 3, 2024. The audit presentation will be on May 31, 2024, and will be provided to the Area Judges and other interested parties in July 2024.

VIII. CEO REPORT

Presenter: Adrian Lopez, CEO

a. Applications for Funding

- Letters of support have been provided to Catholic Charities and The Children's Shelter. Methodist Healthcare Ministries' Prosperemos Juntos Thriving Together is in the second phase of their grant and WSA is supporting both Culturingua and American Indians in Texas.
- WSA is working with Capital Area and Rural Capital on a DOL grant focusing on manufacturing and construction that is approximately \$3M.
- WSA should be receiving the contract for the PROWD Initiative in partnership with Chrysalis Ministries, Goodwill Industries, and CrossPoint.

IX. CHAIR REPORT

Presenter: Mary Batch, Committee Chair

- Chair Mary Batch extends her appreciation for this committee and the questions being asked.

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:

- 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;
- 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;
- Pending or Contemplated Litigation;
- Government Code §551.074 – Personnel Matters Involving Senior Executive Staff and Employees of Workforce Solutions Alamo; and
- Government Code §551.089 – Discussions Regarding Security Devices or Audits.

None.

XI. ADJOURNMENT

Presenter: Mary Batch, Committee Chair

Upon motion by Yousef Kassim and seconded by Lisa Navarro Gonzales, Chair Mary Batch adjourned the meeting at 11:43am.

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