

**Workforce Solutions - Deep East Texas**  
**415 S. First Street, Suite 110 B**  
**Lufkin, TX 75901**  
**Executive/Finance Committee Meeting Minutes**  
**September 10, 2020**

**I. CHAIR WAYNE HAGLUND CALLED THE EXECUTIVE/FINANCE COMMITTEE MEETING TO ORDER AT 2:01 P.M.**

**MR. HAGLUND ANNOUNCED IN ACCORDANCE WITH GUIDANCE FROM THE TEXAS GOVERNOR AND ATTORNEY GENERAL DATED MARCH 16, 2020, REGARDING SUSPENSION OF OPEN MEETING LAWS, THE BOARD IS PROVIDING FOR PUBLIC PARTICIPATION IN ITS COMMITTEE MEETING VIA VIRTUAL MEETING WEB LINK. HE ALSO SAID THE MEETING IS BEING RECORDED AND THE OPEN SESSION PORTION OF THE MEETING IS AVAILABLE TO THE PUBLIC UPON REQUEST.**

Members Present: Lisa Balty, Tyane Dietz, Robert Fitzpatrick, James Gentry, Wayne Haglund, Garvey Jackson, Kotosha Jeffery, Kelli Marshall, Ellen Mills, John Allen Slocomb

Members Absent: Gene Lee

Board Staff Present: Mark Durand, Misty Woodard, Karen Stubblefield, Joshua Laskoskie

Visitors: Richard Rudel, Renee Barry

**CHAIR WAYNE HAGLUND REMINDED THE BOARD MEMBERS OF THE CONFLICT OF INTEREST DECLARATION.**

Chair Wayne Haglund asked that all members sign a conflict of interest declaration regardless of whether they have a conflict and send the form to Board Staff.

**WELCOME OF GUESTS**

Mr. Durand introduced Richard Rudel, CPA, with Alexander, Lankford & Hiers, Inc., who would be speaking to the committee shortly, and Renee Barry, consultant, who would be available for the budget discussion.

**II. Public Comments**

None

**III. Discussion/Action: Approval of Minutes – July 9, 2020**

Motion: Tyane Dietz made the motion to approve the minutes as presented.

Second: James Gentry

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**IV. Information and Briefing Items**

None

**V. Discussion and Possible Action**

**A. Action Item 20-23 Annual Audit**

Mark Durand introduced Richard Rudel, CPA, with Alexander, Lankford & Hiers, Inc., who reviewed the independent auditor's report, audit of the board as of the fiscal year end, September 30, 2019. Under the summary of auditor's results, Mr. Rudel noted with regard to the financial statements, the type of auditor's report issued was unmodified. He said there were no material weaknesses identified under internal control over financial reporting, there were no reported significant deficiencies identified, there was no noncompliance material to the financial statements noted. With regard to the board's federal and state awards on internal control over major programs, Mr. Rudel noted no material weaknesses. In regards to significant deficiencies that are not considered to be material weaknesses, there was none reported. He said the auditor's report on compliance for major programs was unmodified, which is the highest an organization can receive. There were no audit findings that were required to be communicated to the board in regards to the federal guidelines or the Texas single audit circular. The board qualified as a low-risk auditee for federal and state awards. In regards, to financial statement findings, there was none reported. In regards to federal awards findings, there was none reported.

Motion: Ellen Mills made the motion to accept and approve the audited financial statements as presented by Alexander, Lankford & Hiers, Inc.

Second: James Gentry

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

#### **B. Action Item 20-24 Renewal of Auditor's Contract**

Mark Durand said the Board is required to have a financial audit conducted each year in compliance with the State of Texas Uniform Grant Guidance (UGMS) and OMB Circular A-133. A copy of the audit must be furnished to TWC within nine months of the end of each fiscal year. In 2011, the Board voted to initially contract with Alexander, Lankford, and Hiers Inc., of Lufkin for auditing services. In 2016, the services were re-procured and the Board voted to continue with Alexander, Lankford and Hiers, Inc. The contract provides for renewal up to four additional years after the initial period. This would be the fourth renewal year if the Board elects to renew the contract. The proposed cost presented from Alexander, Lankford, and Hiers Inc., for audit services is \$33,660; which is inclusive of the preparation of the 990 form. This is an increase of 2% from previous year's contract.

Motion: Lisa Balty made the motion to approve renewal of the auditor's contract.

Second: Robert Fitzpatrick

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

#### **C. Action Item 20-25 Renewal of Monitor's Contract**

Mr. Durand said that, in accordance with 40 TAC §800.535, Local Workforce Development Boards must develop and maintain a subcontractor monitoring system that covers any service or program service contract it awards from federal and/or state funds administered by TWC. In 2017, the Board contracted with E Taylor and Associates for annual fiscal and program monitoring services. The contract provides for renewal up to three (3) additional years after the initial period. If approved, this will be the third renewal of the initial contract. At each yearly renewal, the Board may elect to renew the contract pending successful contract completion, and funding availability. E Taylor and Associates has met all requirements in the contract. E Taylor and Associates submitted a budget of \$47,301.00 to perform the monitoring of the board's sub-recipients. There is no increase from FY'20 contracted amount.

Motion: Tyane Dietz made the motion to approve the renewal of the monitoring contract with E Taylor and Associates

Second: James Gentry

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**D. Action Item 20-26 FY'21 Annual Budget**

Mr. Durand summarized that significant work had been undertaken by staff to prepare the FY '21 Annual Budget. His detailed summary addressed changes in the oversight and management, facility and infrastructure, and service delivery to meet the needs of the region and effectively serve customers.

Motion: Lisa Balty made the motion to approve the FY '21 Annual Budget as presented.

Second: Kelli Marshall

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**E. Open Session Action, if any, as a result of Closed Session**

None

**VI. Discussion and Acceptance of Financial Reports**

**A. Financial Reports for June 2020 – July 2020**

- **Statement of Financial Position**
- **Budget vs. Actual**
- **Grant Report**

Mark Durand provided financial updates for the months of June and July 2020. He noted the child care expenditures were up due to the enhanced 25% payments to providers during COVID19. Variance narrative included the purchase of laptops, a TRS media campaign, and the development of standard Power Point templates for staff use with workshops and presentations. In July, the board office had to be deep cleaned following a possible COVID exposure. He noted the 1718 contracts have closed and the new grants are being added. On a motion by Lisa Balty, seconded by James Gentry, the Executive/Finance Committee accepted the financial reports.

**VII. Discussion of issues to be brought before the Committee**

None

**VIII. Adjourn**

Wayne Haglund adjourned the Executive/Finance Committee Meeting at 3:03 p.m.

Duly passed and approved on this 10<sup>th</sup> day of NOVEMBER 2020

  
Wayne Haglund, Chair

Attest

  
Karen Stubblefield, Operations Manager