

Workforce Solutions - Deep East Texas
415 S. First Street, Suite 110B
Lufkin, TX 75901
Executive/Finance Committee Meeting Minutes
November 9, 2021

I. CHAIR WAYNE HAGLUND CALLED THE EXECUTIVE/FINANCE COMMITTEE MEETING TO ORDER AT 1:32 P.M.

MR. HAGLUND ANNOUNCED IN ACCORDANCE WITH GUIDANCE FROM THE TEXAS WORKFORCE COMMISSION (WD LETTER 28-19) DATED NOVEMBER 19, 2019, REGARDING THE TEXAS OPEN MEETINGS ACT GOVERNMENT CODE CHAPTER 551 ALLOWING THE USE OF VIDEOCONFERENCING AS A METHOD FOR CONDUCTING BOARD MEETINGS, THE BOARD IS PROVIDING FOR PUBLIC PARTICIPATION IN THE OPEN PORTIONS OF ITS COMMITTEE MEETING AT THE ADDRESS LISTED ABOVE AND 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. THE BOARD SERVES TWELVE (12) COUNTIES AND LISTED THE HOST LOCATION AND PRESIDING OFFICER, WAYNE HAGLUND, WAS PHYSICALLY PRESENT.

AFTER THE ROLL CALL, MR. HAGLUND CONFIRMED THAT A QUORUM WAS PRESENT:

Members Present: Lisa Balty, Tyane Dietz, Robert Fitzpatrick, Wayne Haglund, Kotosha Jeffery, Gene Lee, Kelli Marshall, Ellen Mills

Members Absent: James Gentry, Garvey Jackson, John Allen Slocomb

Board Staff Present: Mark Durand, Debb Homman, Lauren Phipps, Karen Stubblefield, Misty Woodard

Visitors: LaTreaser Cartwright, Paul Dunn, Michelle Kennedy, Billy Reddick

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

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:

Mark Durand introduced Lauren Phipps, who joined the Board staff in September as the Planning and Policy Specialist.

II. Public Comments

None

III. Discussion/Action: Approval of Minutes – September 14, 2021

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

Second: Ellen Mills

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

IV. Information and Briefing Items

A. Child Care Office Relocation Update

Mark Durand reported that the Child Care Services staff was successfully moved to the Angelina County Workforce Center and the move has been a smooth transition.

Mark Durand reviewed the TWC letter dated October 13, 2021 regarding the completion of TWC's desk review of Workforce Solutions Deep East Texas' audit report for FY'2020. There were no findings during this desk review. The audit report was accepted and audit file closed by TWC.

V. Discussion and Possible Action

A. Action Item 21-28 Workforce Board Office Lease

Mark Durand said the Board staff released a Request for Proposal (RFP) soliciting proposals for lease space for the Workforce Board Office, as the current lease expires November 30, 2021. The Board received one (1) proposal from SBC Holdings, LLC, which is the current landlord. The proposal was to continue to occupy the current space and expand into the vacated space previously occupied by the Child Care Services staff. This proposal will eliminate excessive relocation expenses and will only require minor renovations. These renovations will be at no cost to the Board. The proposal includes a lease term of ten (10) years for \$0.95 per square foot, which includes utilities, custodial services, restroom supplies, landscaping, and pest control. Mr. Durand noted that SBC Holdings met the minimum required score of 70, with an average score of 92; and there have been no previous issues with the landlord. Mr. Haglund asked if legal counsel will review the lease document before signing and if there is a clause to break the lease agreement if funding should be dramatically cut. Mr. Durand answered that the Board's legal counsel will review the lease and there is a clause that states if funding is reduced by 15% or more, the Board has the option to re-negotiate the terms of the lease.

Motion: Robert Fitzpatrick made the motion to accept the Workforce Board Office Lease as presented.

Second: Ellen Mills

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

B. Action Item 21-29 Houston County Workforce Center Lease

Mark Durand said the Board entered into an Interlocal Agreement with the Crockett Economic Development Corporation (landlord) on January 1, 2019, for a three (3) year lease agreement of the Houston County Workforce Center. In lieu of rent, Workforce Solutions Deep East Texas reimburses the landlord pro-rated share of the cost of electric, water, sewer, gas, custodial services and grounds maintenance based on the ratio of square footage of workforce center space to the total square footage of the building. The Houston County Workforce Center accounts for 11.7% of the square footage of the building. The FY'2021 total cost for services to the Crockett EDC for the Houston County Workforce Center equaled \$7,426.00 – much cheaper than procuring a new rental location and the current location meets the needs of the workforce center. Mr. Durand also pointed out that the Board is negotiating with Angelina College for the utilization of one dedicated office space and split cost of shared space. This will be beneficial in that Angelina College will help with assessments and adds another partner within this workforce center.

Motion: Robert Fitzpatrick made the motion to accept the Houston County Workforce Center Lease as presented.

Second: Kelli Marshall

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

C. Action Item 21-30 Selection of Independent Auditing Services

Mark Durand reviewed the three proposals the Board received in response to a Request for Qualifications (RFQ) released by the Board soliciting responses from qualified and experienced public accounting firms to perform fiscal year audit reviews of federal and state grants and all other programs administered by the Board. Three (3) independent reviewers reviewed and evaluated the proposals based on Qualifications (30); Demonstrated Performance/Resumes (30); Engagement Planning and Execution (20); References (10); Cost Reasonableness (5); and Historically Underutilized Business (5). McConnell & Jones, LLP, located in Houston, Texas, received the highest score with a score of 89. Reviewers noted strengths of this proposal being that the proposal was thorough, services are cost effective, delivery is comprehensive and customized to the customer, available for year-round routine assistance, and provides complimentary training and continuing education to clients. Weaknesses of the McConnell & Jones, LLP proposal included areas that may require extensive research may require additional fee, but will be discussed with customer prior to services. Alexander, Lankford & Hiers, Inc. received a score of 86.5. Reviewers noted strengths of their proposal being the firm has fifty (50) years of experience, extensive knowledge, local firm with similar scope of work since 1996, and is current auditor familiar with Board. Weaknesses included budget not broken down, more expensive than the other proposals, and not detailed in their responses. The third proposal, submitted by Carr, Riggs & Ingram, CPAs and Advisors, with several locations, including home base location in Shreveport, Louisiana, received a score of 86.3 by the reviewers. Strengths of this proposal included highly experienced, well organized proposal, large firm with Texas operations, provided services for another workforce board. Weaknesses included the proposal did not provide evidence of staff compliance with continuing education, only provided a discussion of professional development and training staff goes through, future cost budget, and did not provide a comprehensive list of clients served. Tyane Dietz mentioned, and Mr. Haglund agreed, concern regarding possible additional fees of the McConnell & Jones proposal. Gene Lee noted that selecting a new accounting firm could have a positive impact in that their audit review could have findings the current accounting firm may have over-looked. Mr. Lee also pointed out that the firm selected should have experience with TWC, or in the least, government entities that deal with same programs as Workforce Solutions Deep East Texas, so that there is not a significant learning curve for the firm.

Motion: Kelli Marshall made the motion to stay with the current Independent Auditor of Workforce Solutions Deep East Texas, Alexander, Lankford and Hiers, Inc.

Second: Gene Lee

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

Mr. Haglund brought before the Board that in the event a suitable agreement is not negotiated with Alexander, Lankford and Heirs, the matter come back before the Board for further consideration.

Motion: Lisa Balty made the motion to request this matter come back before the Board if a suitable agreement is not negotiated between the Board and Alexander, Lankford and Heirs.

Second: Gene Lee

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

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

None

VI. Discussion and Acceptance of Financial Reports

A. Financial Reports for August and September 2021

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

Misty Woodard provided financial updates for the months of August and September 2021. She referenced the variance narrative and reviewed the contracts outstanding. On a motion by Gene Lee and seconded by Robert Fitzpatrick, the 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 2:09 p.m.

Duly passed and approved on this 8th day of FEBRUARY 2022


Wayne Haglund, Chair

Attest


Lauren Phipps, Planning and Policy Specialist