



Broward Workforce Development Board
Audit Committee
Monday, August 14, 2023
11:00 a.m. – 12:00 p.m.

Zoom Meeting ID: 861 570 11208
Zoom Password: 522089
Zoom Call-In: 1 646 876 9923

MEETING MINUTES

CareerSource Broward Boardroom
2890 West Cypress Creek Road, Ft. Lauderdale, FL 33309

The Committee was reminded of the conflict-of-interest provisions.

ATTENDEES: Bob Swindell, Heiko Dobrikow, Dr. Ben Chen, Frank Horkey, and Zac Cassidy who chaired the meeting.

STAFF: Carol Hylton, Ron Moffett, Rochelle Daniels, Kaminnie Kangal, Natalie Joseph-Cauley, and Moya Brathwaite.

APPROVAL OF MINUTES

Approval of the Minutes of the 2/13/23 Combined Executive and Audit Committee meeting.

On a motion by Frank Horkey, seconded by Dr. Ben Chen, the Audit Committee unanimously approved the Minutes of the February 13, 2023 Exec and Audit Combined Committee Meeting.

NEW BUSINESS

1. Selection of an Audit Firm

Consideration to recommend Anthony Brunson P.A. as our Audit Firm. Their proposal provides for WatsonRice to serve as the engagement partner in accordance with state rules which allows for the continuation of the same firm beyond 5 years as long as the engagement partner is rotated. A Request for Quotes (RFQ) was issued on 5/15, with responses due 6/16. We sent the RFQ to 10 firms as well as to the firms which are registered to be noticed when an RFQ is issued, altogether at least 15 firms. We received a quote from Anthony Brunson, P.A. our current Audit Firm, and one (1) no bid from Tri Merge CPA. A Review Committee Meeting was held on 8/7. After hearing from Mr. Brunson and representatives from WatsonRice, the Committee rated and ranked the proposal which had an average score of 93. The Review Committee then voted to recommend the selection of Anthony Brunson, P.A. at a cost of \$34,000, a \$1,000 increase over last year. The contract if approved will allow for 4 one-year renewals subject to governing board approval.

Frank Horkey stated he's unsure what CSBD would do for a new audit firm if we did not have authorization from the State to keep working with our current auditor, Anthony Brunson, P. A.

Rochelle Daniels explained that the state now allows boards to continue with the same audit firm beyond 5 years, as long as the engagement partner is rotated. As a result, firms realize that unless a client is unhappy with their audit firm, they are unlikely to select a new firm and there is little incentive to put the time in to respond to a request for proposals/quotes. Also we are required to post our audit contract and firms must consider whether they can be competitive from a cost perspective.

Mr. Horkey thanked Ms. Daniels for the explanation.

On a motion by Dr. Ben Chen, seconded by Frank Horkey the Audit Committee unanimously approved the selection of Anthony Brunson P.A. and award the contract as CSBD's Audit Firm.

2. Renewal of Taylor Hall Miller Parker, P.A. Program Monitoring Contract for PY 23/24

Consideration to renew the contract for program monitoring with Taylor Hall Miller Parker, P.A. for the 23/24 program year. The cost of the renewal is \$81,000 for 3 visits at \$27,000 per visit. This is the same cost as last year. CSBD is satisfied with the services. This will be the first of up to 4 one-year renewals.

Mr. Horkey inquired if this was the first year of a five (5) year contract.

Ms. Daniels responded last year was the first year of the contract and that this would be the first of four (4) one-year renewals.

On a motion by Dr. Ben Chen, seconded by Frank Horkey the Audit Committee unanimously approved renewal of the Taylor Hall Miller Parker, P.A. 2023-2024 program monitoring contract at a cost of \$81,000 for 3 visits.

3. Cherry Bekaert Fiscal Monitoring Contract Renewal for PY 23/24

Consideration to renew the contract for fiscal monitoring with Cherry Bekaert, LLP for the 23/24 program year. The cost of the renewal is \$73,500 for 3 visits at \$24,500 per visit. This is an increase of \$1,500 over last year. CSBD is satisfied with the services. This will be the first of up to 4 one-year renewals.

Mr. Horkey asked if Cherry Bekaert could do additional work under the renewal contract.

Ms. Daniels responded yes, they could. Ms. Daniels added that Cherry Bekaert has been very generous with their time. They do not charge us for a fifteen or thirty-minute phone call.

Carol Hylton added that with the VP of Finance transition from Christine to Kaminnie, we had Cherry Bekaert personnel based at the Administrative Office for a time to assist and they have been instrumental in the smooth transition.

On a motion by Dr. Ben Chen, seconded by Frank Horkey the Audit Committee unanimously approved renewal of the Cherry Bekaert LLP 2023-2024 fiscal monitoring contract at a cost of \$73,500 for 3 visits.

4. Central One-Stop Purchase

During the Board retreat there was a healthy discussion regarding the purchase of the Central One Stop complex. At that time, it was suggested that we query the Department of Management Services (DMS) regarding a price for the entire complex. We are pursuing this and have been in contact with DMS. In preparation for going forward we are seeking input from the Committee on options for the funding of the project.

Dr. Chen asked if Carol or staff had contacted DMS. Ms. Hylton responded that we had contacted DMS and advised them of our interest in purchasing the building and perhaps the entire complex. Our contact indicated the request would be submitted to management.

She further added that when we previously contacted the State, they seemed eager to sell, but now the state told us that will have to conduct estimates to get a fair market value and also determine whether or not they want to sell.

Dr. Chen asked if the purchase of the South One-Stop location was discussed.

Ms. Hylton replied, no. Our discussions have been about the purchase of the Central office. Ms. Hylton advised the committee that although purchase of the South-One Stop location was not previously discussed, as talks continue regarding the purchase of the Central location she could inquire whether the state is open to selling the South property.

Dr. Chen stated that he believed the money available in the General Fund is less than what would be needed for a down payment. The down payment may have to be financed. An option might be to partner with a developer. Dr. Chen stated we should wait for the state to give us the purchase price and then issue an RFP to conduct a study regarding whether to go forward with the project. Last year the Sadowski Act helped fund a number of projects. We could find someone familiar with that area of the funding process to assist us. Someone who is independent and knowledgeable about funding and construction development.

Mr. Horkey inquired if the company used in the renovation of the Administrative Office has someone with construction development experience. Ms. Hylton responded yes, that the Fort Lauderdale Housing Authority worked closely with us providing guidance for the entirety of the project.

Dr. Chen stated that perhaps we could demolish the buildings and construct a multi use facility that would include affordable housing.

Heiko Dobrikow stated we first need to determine a purchase price. This would indicate the direction we take. Mr. Dobrikow added he liked the idea of working with a consultant. He added that the MPO was looking for a central transportation hub.

Ms. Daniels, suggested that we first determine whether jurisdiction and zoning for the property belongs to the City of Ft. Lauderdale or the City of Oakland Park. Then we would be able to inquire as to any restrictions related to building height and parking. She said the Board and Council should also think about whether serving as a landlord would be consistent with the mission of CSBD. Currently, the CSBD mission would be furthered by the creation of a state of the art one-stop career center, expanded parking to meet the flow of traffic, and providing for commercial space that would be aligned with the day to day needs of our customers, supporting traffic to the one-stop and some excess revenue for the general fund.

Mr. Dobrikow asked Ms. Daniels if she is suggesting that staff be tasked with gathering information before we consider whether a consultant is needed and that staff continue discussions with the state regarding a selling price.

Ms. Daniels replied, gathering the information would provide a realistic perspective for further discussion and consideration.

Mr. Horkey inquired if the City of Oakland Park could assist with funding.

Dr. Chen replied that City funding is possible, but such partnerships add another decision-maker to the process.

Mr. Dobrikow added that that he agreed with Dr. Chen. We should focus on our area of expertise. While affordable housing is important it would be a very difficult for CSBD to also be a landlord. If another entity was brought in then we would risk losing control over the space.

Mr. Cassidy asked if there were further questions.

Mr. Horkey asked if a plan was outlined.

Mr. Dobrikow responded that step one is to continue discussions with the state regarding the purchase price and step two is to have a preliminary conversation with the City of Oakland Park or Fort Lauderdale regarding zoning for the space and the potential for the footprint.

Mr. Cassidy asked if there were any further questions or comments.

There were none.

REPORTS

1. General Fund Balance

At the 12/2022 Board meeting, we reported that the General Fund balance was \$901,711. From 11/1/22 through 6/30/23, we realized revenues of \$334,195 and incurred expenditures of \$215,625 for an ending balance including the reserves, \$1,020,281 in the General Fund as of 6/30/23.

Mr. Horkey requested that the amount held in reserve be added to the summary for the Board Meeting. Ms. Hylton responded that we would make the change.

2. Budget vs. Actual Expenditure Report

In accordance with good fiscal practices we provide a Budget vs. Actual Expenditure Report to the Audit Committee. Each year we budget to spend 100% of our grants. As the governing boards are aware WIOA funds are available for 2 years and also allow for a 20% allocation carry forward each year to avoid a cliff effect due to fluctuations in allocations as we experienced this year. The State extended the period for the expenditure of welfare transition

program (WTP) funds this year through August, and the funds are being invested in the summer program. The strategies we put in place last year are working.

Ms. Hylton informed the committee that since discretionary funds have a shorter shelf life, we strategically spend those funds before the formula funds.

3. Cherry Bekaert LLP Fiscal Monitoring - Report #2 PY 22/23 Issued 5/2023

Cherry Bekaert issued their monitoring report for the period 10/1/22 through 2/28/23. Cherry Bekaert reviewed a total of 921 elements. There were no findings or observations for a 0% error rate.

Mr. Dobrikow applauded and said good job.

4. Taylor Hall Miller Parker, PA Program Monitoring - Report #2 PY 22/23 Issued 2/2023

THMP issued their Program Monitoring Report for the period 11/18/22 through 2/21/23. They reviewed a total of 177 files consisting of 6,029 elements. There were 4 findings and 11 observations. This equates an error rate of .06%, or less than 1%. All findings and observations were corrected except where cases were closed, and no further action could be taken.

Mr. Dobrikow applauded the monitoring results.

Mr. Horkey asked why THMP did not conduct monitoring reviews in alignment with fiscal month end.

Ms. Hylton responded that we coordinate the monitoring so that staff is not inundated with requests all at the same time.

5. DEO Programmatic and Financial Monitoring Report for Period 4/2021 through 3/2022 Issued 6/2023

The Florida Department of Economic Opportunity (DEO) issued their Financial and Program Monitoring Report on 12/1/22 for the period 4/21 through 3/22. They reviewed a total of 166 program files consisting of 6,502 elements. There were 0 fiscal findings, observations, and technical assistance items. There were 9 program findings and 6 non-compliance issues. The program findings equate to an error rate of .14% less than 1%. All findings and non-compliance issues were corrected except where cases were closed, and no further action could be taken. Our Corrective Action Plan was accepted on 4/13/23.

Mr. Dobrikow stated nice job, you knocked it out of the park.

Ms. Hylton added that we disagreed with one of their non-compliance issues. DEO indicated our administrative plan was not up to date. However, the last time they reviewed an administrative plan was in 2011. The state moved away from that requirement because they looked at the fiscal policies when they monitored. This monitoring review was conducted by a new team, they agreed with our assessment but did not remove the non-compliance status.

MATTERS FROM THE AUDIT COMMITTEE CHAIR

None

MATTERS FROM THE AUDIT COMMITTEE

None

MATTERS FROM THE FLOOR

None

MATTERS FROM THE PRESIDENT/CEO

Ms. Hylton informed the committee that last week she met with the new Broward County Public Schools Superintendent, Dr. Licata, and he has agreed to join the Board. He is familiar with CTACE, and we discussed the value of internships for high school and technical school students. Ms. Hylton added that Dr. Licata will introduce her to the new Director of CTACE within the next few weeks. They also discussed the CSBD Summer Youth Program and how students' career tracks align with job placements.

Ms. Hylton added that we issued an RFQ for work-based training to expand on the micro contracts we did last year with the various community chambers. In addition, we are coordinating with Dan Linblade and several of the chambers to conduct a State of Workforce Services event to be held in October.

Mr. Dobrikow said it will be a signature event for Broward County and the Broward County Council of Chambers, providing resources and information that hopefully will grow into an annual event.

Mr. Cassidy asked if there were any additional questions or comments.

There were none.

ADJOURNMENT

11:45 am