

# MEETING MINUTES

December 19, 2012

## GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED

The meeting was called to order by Chairperson Cedric Greene at 10:00 a.m. December 19, 2012 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

### ATTENDANCE:

Committee: Cedric Greene, (Chairperson); William "Bill" Monterosso, Executive Director; Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: William "Bill" Monterosso  
Cyndi Auth, Director of Customer Relations  
Mark Jackson, Business Liaison, WVARF  
Gary Wolfe, Business Liaison, WVARF

Absent: Phillip Mason, Everette Sullivan  
Jan Smith attended by conference call

Guests: Cheri Bever, Goodwill Industries of Kanawha Valley

### COMMITTEE CHAIR REPORT:

Our guest is Ms. Bever and if you have any comments for her maybe you can get with her at the very end.

Has the Board members had an opportunity to look at the minutes from November 21<sup>st</sup>?

### **MOTION #1**

**Ms. Smith made a motion to approve the minutes. Ms. Bates seconded. Motion passed.**

Mr. Greene, Mr. Monterosso and I met a couple of times this month and he will bring that to you when he gives his Executive Director's report.

### EXECUTIVE SECRETARY'S REPORT:

\$5,055.00 -	Annual Allocation
91.34 -	A/P Current Expenses (Act.130)
396.56 -	Disbursement
<u>126.86 -</u>	Transfer Out
\$4,440.24 -	Balance Remaining

Mr. Greene, is there a motion to accept the Financial Report?

**MOTION #2**

**Ms. Bates, I move to accept the financial report. Ms. Smith seconded. Motion passed.**

Mr. Greene, Mike is that just a revolving thing; if you don't use that at the end of the year it just rolls on to the next year?

Mr. Sheets, yes that is my understanding.

**EXECUTIVE DIRECTOR'S REPORT:**

Mr. Monterosso, I have broken this down into Process Improvements; Meetings/Opportunities; Affiliations; Trainings; Fiscal Audit and Critical Areas.

As far as Process Improvements are concerned, Cyndi is being extremely diligent in looking at all our processes and all of our procedures that relates to contract development, scopes of work pricing, etc.

We are in the midst of reconstituting the CNA Committee and as you know we had a couple of resignations. I was hoping to have Booth Goodwin serve in the legal capacity; however, congressionally he is restricted from serving on the Committee due to conflicts of interest. I am meeting with him this afternoon and he has two perpetual candidates for me and then I am meeting Tuesday of next week with a legislator to look at filling that position. So, we are hoping next month we will reconstitute the CNA Committee then the hope is instead of monthly it goes quarterly.

We are tracking both formally and informally customer services issues, customer satisfaction to make sure we are being responsive and that we are in partnership with CRPs and state agencies that we are fulfilling those gaps and meeting those needs.

At the next meeting we will present the website to you and we are getting ready to bring another temp on board to help load information on to that. January 7<sup>th</sup> that individual will begin loading information into the new website and the new design, just a lot of key strokes rather than staff wasting time doing that. That person will receive guidance from Cyndi and me. Next month that website will be up. It is live right now but we want to make sure it is accurate and complete. We will have both sides not only for CRPs and the State Use Program but to serve the state agencies as well, they will have their own portal for service agreements or service requests.

It will be an informational, informative and educational tool as well as saying what we do as a CNA.

Had a lot of meetings, positive meetings and the Business Service Liaisons continue to make their rounds, understanding the CRPs and their products. We are trying to set a tone by leading by example. For instance, we get a lot of CRPs that say it is really not worth our time, you are only going to make \$20.00, but if you are not going in a hole and my philosophy is putting someone to work. Right now Gary and Mark are driving a water van to the Department of DNR which they will load 4,000 lbs. of calendars that will be presorted. It is a \$500.00 job, not a lot of money but it is going to put some individuals to work for a short amount of time. They need the turnaround pretty quick.

Had a great meeting with Mike Sheets this week to talk about WVARF's position, our current direction that we are going, we want to come from a posture of partnership in understanding and being able to, as Mike says, be able to put that thick black, line from point A to point B and understand why we are doing it so things don't get bogged down. There is that transparency that is true that says, this is what we are doing and this is how we are doing it and this is how we derived either that fair market cost or whatever the case may be. That scenario of fair market cost will come up when Cyndi does her presentation as we do have a scenario that is exactly the things we need to be doing as an association. Not only being responsive but finding solutions and not being so rigid but being open and saying this is why things are happening and having that support.

Had a great meeting with Steve Banano who is the Provost WVU Extension office. The Agrability Grant is a great opportunity for us not only as the CAN but we are in a position to do things that a lot of agencies aren't in terms of what WVU Extension needs as far as being a pass through and they have bypassed that grant a couple of years because they couldn't find an agency that met the division and the goal of the agrability. It is for farmers who have disabilities. We had a great meeting regarding that.

They are linking us with Industrial Extension when we are looking at introducing new products and new services, new commodities to put on the statewide list. What is the feasibility of that and in helping us do feasibility studies?

They provide OSHA Training and it goes on and on and it is a great opportunity for us to utilize them to provide training for CRP's, to look at making sure CRPs across the state have the same benefit regardless of their size, big or small.

Had a good meeting with Natalie Tennant, the Secretary of State to utilize the Secure Document handling and utilizing that office as kind of a pilot even though it is on the statewide list. Cedric and I did the tour a couple of months ago and saw, WOW that is a lot of paper and we have to find a better process than that so rather than saying you have no choice to use this to say, we want to utilize your office as a model and spread out throughout the Capitol Complex as it relates to that secure document handling so people can see that is more efficient, more effective, it is costly, it is green and it brings work back to West Virginia. That was a positive experience there.

Our ISSA membership is up-to-date; we just renewed that as I think that is critical. When we are looking at utilizing as we do currently the ISSA standards part of our discussion with Mike is purchasing's ability for their need to be able to interrupt the ISSA and how does that translate into those contracts and creating that boardwalk.

SUPRA, I mentioned that at the last meeting and that is approaching quickly we will be going to the SUPRA Conference and I think that will be a great opportunity.

Engaged the Municipal League because we need to be involved with municipalities and association of counties because that is a whole other avenue that we need to be approaching to put individuals with disabilities to work. Those affiliations have been secured and we will start working towards making our dollars county for us.

Trainings, I mentioned the on-site CRPs not only visiting but understanding their products and services, their processes, methods and where they want to go. We are brokering various skills of various CRPs as it related to janitorial, commodities, contract development. Mike Turner will be helping us tomorrow and some of the staff will be going there to look at contract origination, historical perspective, and those kinds of things. Jan has helped us on the janitorial side of understanding things.

Mark and Gary will be going to Janitor U in March. I think it is important not only to go out there and create contracts but to understand that process, especially when it comes to assessing the auditing the CRPs, which hasn't been done for a long time, understanding how we can become efficient, what are the best practices out there, what are those methods.

Cyndi will be going to CIMS Training in April and she can talk a little about that during her piece from a perspective of pricing and contracts and those kinds of things. More administrative than janitorial.

Ellis and Ellis will be doing our fiscal audit. We need to file 2011 Tax, 990. We have had discussion here, it is not what you don't know that is scary, it's what you don't know that you don't know and what is that bat that is going to hit you over the head. We secured Rowan and Associates, bottom line it didn't get done and it needs to be done. I just learned of it because I needed a fiscal audit because Chase who holds our accounts needed to get our fiscal audit, which should have been done in July. There wasn't one. That lead to, has your November tax return been turned in and has your 990 been submitted/ I called Rowan and they said no we didn't do that because you guys didn't want us this year because we were too high which had nothing to do with submitting. Needless to say Ellis and Ellis or Suttle and Stalnaker is helping us as we speak. I even got another email today to make sure that the board members were accurate to go ahead and submit that file as we can't ask for an extension as we are past the middle date and plead for forgiveness if there are any penalties incurred. You live and you learn. I can assure you this won't happen next year. It is what is. I am hoping to have that filed this week.

Mr. Greene, that is a problem from a couple of different standpoints. From the way I see it; a) I would have thought, I would never have been in an agreement with you all not having your own CPA first of all and I think that is why this stuff happens; b) I would have thought these Rowan people would have taken care of it and c) I am wondering what is the CNA doing, seems like they would have caught it too, doesn't it Brenda? That's what they talk about at those

meetings is money and how you spend your money and what you are doing with the money. I would have thought somebody would have caught that.

Ms. Bates, the best news is that the society at one time, twelve years ago had some issues and we worked with Suttle and Stalnaker and they will take care of it and they have a lot of contacts to make sure they will get your penalties or interest forgiven, they will get one of the other forgiven and it will work out ok but the thing of it is I guess after this point having a tickler for someone inside because that is what we do with the society. You trust other people and the main thing would be having a couple of different people to say this is when this has to be filed. The 941 has that been done, the payroll liabilities and all that, have they been filed?

Mr. Monterosso, again it is what you don't know so with this flag that came up Suttle and Stalnaker is currently looking at everything that needs to be filed.

Ms. Bates the 941 will get you most because they are payroll liabilities and you have collected those and the IRS gets very unhappy. I have been through this with the Society so that is the next thing to really hit hard – just be sure 941's have been filed. What else Mike, 941's quarterly?

Mr. Sheets, city employment.

Ms. Bates, and you all don't collect consumer sales tax for anything that you do, right? Because that is a big thing too. Anything you collect and don't give is major as far as penalties.

Ms. Smith, the charitable registration with the state was due also; you might want to look into that. That was due the first or sometime in December.

Ms. Bates, having been through that before, what I would suggest is that you have someone from Suttle and Stalnaker sit down with you and give you a calendar to say exactly when things are due and then double check to make sure it is done. Because there are so many filings that have to be filed and then hope the 941 has been paid and that they will give you forgiveness on the other or at least partial.

Ms. Smith, I believe IRS also publishes a calendar that you can download.

Ms. Bates, part of that doesn't apply to you and part of it does. Where you are a non-profit there are different things that apply to you versus things that don't and they will do that for you after they look at everything. It seems that Ellis and Ellis would have caught that.

Mr. Monterosso, Ellis and Ellis didn't do the audit; they are going to do this upcoming audit. It was Rowan and Associates.

Ms. Bates, well they should have caught it. That is really bad that they didn't. That is serious negligence on their part.

Ms. Bever, when you go with Ellis and Ellis, you need to make sure of the filings of those forms. Marsha would have signed off on that.

Ms. Bates, I know Suttle and Stalnaker would have said, be sure to file your 990. I think it is ridiculous they didn't. This should have been done in April.

Mr. Monterosso, none the less, we are where we are, we will fix it. We will take what comes and learn from it.

Mr. Monterosso, critical areas, the statewide renewals are coming. We are positioning ourselves for that and make sure it is accurate and the pricing is correct, the scopes are correct and any adjustment that needs to be there, those are due in April.

Stream Access contracts are the same. Affordable Health Care Act is an issue and won't take effect until 2014. At the Board meeting in April, J. D. Kline who is out of D. C., who is an expert for the Affordable Health Care Act will come and provide training, the impact that it will have or won't have. CRPs with greater than 50 employees and I don't profess to be an expert on Obama Care or the Affordable Health Care Act but he is and he tends to think the market will be so competitive that it will actually be cheaper for those that were providing benefits to individuals and if you never were and now you are, obviously it is not going to be cheaper. The market will adjust. I will leave that up to him to explain that and to put CRPs minds at ease or ignite the fire either way. He is going to do it from a perspective of not based on politics but based on reality. That will be done in April. That is basically my report.

### **MOTION #3**

**Ms. Smith, I make a motion to approve the report. Ms. Bates seconded. Motion passed.**

Ms. Smith, along with that, I would like to say the staff is doing an excellent job and they have a lot to learn and they are putting it to good use and they are really doing a great job.

Ms. Bates, I think the whole tax issue is real disconcerting and I would really like an update on that. The 941 would be my first concern for your sake.

Mr. Monterosso, I will send an email to you guys on a weekly basis regarding the status.

### **CONTRACT PRESENTATIONS:**

Ms. Auth, first of all we are working on our processes and procedures. Looking at the following processes of developing the contracts and learning by actual implementation and following through with business that we have. A couple of things we will be working on through the next quarter some of it we will give to you at each meeting as it impacts the contracts is looking at a few different things. One is the wages that we use to factor the contracts haven't been evaluated for some time so we will be looking at that. Looking at what impact that has on fair market price. For a few of the one-time contracts we have had set prices some of those looking at how those numbers were derived for example: stripping and waxing, how they factor those costs and we will be evaluating that as well.

We do have one contract to present today. It is with the Department of Highways – Maintenance Division. It is with the Op Shop in Fairmont. They have rebuilt the rest area at Meadowbrook for both the North and South sides. Jan had that contract prior so it is continuing with that. There has not been an active contract for this fiscal year.

We did do an audit of one other location. The location was complete last month and we did go in and take measurements and it is our understanding both sides are the same. There are some additional buildings on the property as well. We don't have a finalized scope-of-work and I know Jan's contract has some questions because some changes have been made as far as who provides some of the cleaning materials and how that is going to work. They want to open on Friday and what we would like to propose and we have talked to Jim Hash and Jan Smith, is to do a one-month contract very much based on the previous contract; however, this one is substantially larger so the FMKP is going to be more than what we proposed, although we have put some additional labor in so they can go in and meet the needs at this point. We have assured Jim Hash that we will present a presentation to him for a proposal for that by January 9<sup>th</sup>. It will be well in advance of the next meeting. What we would like to do, I have the cost estimate is to look at a one-month contract to satisfy their needs.

Ms. Smith, one thing you need to make clear, we only found out about it yesterday, that they were opening Friday.

Mr. Greene, did you say this is Jan's? That's a conflict.

Ms. Bates, we don't have a quorum without Jan so we can't vote on that. We will have to do that at another time.

Mr. Monterosso, the reason why we want to do this one-month and I think Purchasing is fine with that is to meet the need of the state agency.

Mr. Greene, we get what you are trying to do, you just can't do it right now.

Ms. Bates, is that the Welcome Center in Huntington?"

Mr. Monterosso, no it is Meadowbrook.

Ms. Bates, we will have to do that electronically.

Mr. Greene, just have someone scan this and I'll send to Everette.

Ms. Smith, Everette now has email.

Mr. Green, yes he does have email. If you guys would scan this and send to me, we will do it that way. When is this to start?

Mr. Monterosso, this Friday.

Ms. Smith, we are waiting, we are ready, we have the equipment, and we are ready to go. They told us last week, oh call me after the first of the year, and then yesterday we were called and was told Friday.

Mr. Greene, State Government at its best. Just send it to me and we will make it happen.

### **CONTRACT COMPLAINTS:**

Ms. Auth, as Bill mentioned, we are tracking informal complaints. We did have one with the Department of Highways at a rest area to resolve some quality issues. It is my understanding it has been resolved at this point. We will follow-up on that. Nothing formal.

Mr. Greene, keep in mind, when we talk about complaints we are talking about formal complaints that say they need us to do something to make something happen.

### **FINANCIAL REPORT:**

Mr. Monterosso, our Assets/Liabilities are \$2.7M. We should be at 50% of the budget. We are at 37% but we are catching up, we are right on target.

Mr. Greene, let me ask this question, are there any intentions to hire a CPA, an everyday person that is going to be here every day?

Mr. Monterosso, yes and let me explain that. I want to make sure of what we need. Over the last couple of months there has been a cultural shift, a lot of change, a lot of strain to the organization. I needed to have some stability with the current new staff to see and understand what we truly need. We obviously need a finance person, do we need a CPA, I don't know if we can get a CPA that we can afford, that the budget would support, but you can get a true good finance person that understand the finances and budgets and all that. Not only look at it from a physical perspective but look at it strategically from a programmatic perspective. How do you strategically utilize those dollars rather than looking at a balance sheet at the end of the month. We are in a position now to understand what we need. I have a stack of resumes' and we can expedite that at the end of the year. I have every intention of making sure that office right next to Cyndi's is filled. I just have to make sure we get the right person to where we are headed.

### **OLD BUSINESS:**

Mr. Greene, I have Bob Paulson looking at the contracts for the background checks and I spoke with him this morning and he is waiting on a phone call and then he will provide me with some type of play paper. Some of the concerns the last time were not a fixed price and that people understood the contract and whoever was utilizing the contract to get background checks. I don't think anyone understood the contract or what everyone's roll was. I asked our General Counsel to read the information and do us a point paper so we can explain to everyone.



## **NEW BUSINESS:**

Mr. Greene, Cheri is there anything you would like to share with us, we appreciate you coming.

Ms. Bever, I was interested in a couple of things on the renewals. Training for the Affordable Health Care and WVARF's intentions show six months of Affordable Health Care in the renewals that come up in April.

Mr. Monterosso, you will have six months in there and I'm doing a little background and research right now leading up to this as it relates to the renewals because there is COLA that the Feds put in the contract with NISHG. Nish hasn't actually followed the trend at the Federal, not that I'm going to model the federal NISH contracts but you can look at what's the duration and acceptance of any line item that you put into a contract that has any bearing on a provider. NISH has not followed to trend when it comes to health and welfare of putting in any additional cost in there, which in my mind is not a good thing. One of the things that I am looking at and we will probably have to have some discussion Cedric, but also with Dave Tincher, I think it is going to be an additional cost when you are looking at being mandated to provide health insurance if you are 50+ if you have Goodwill, it is not going to affect every CRP. What we don't want to run into is with the criminal background checks that happened after the contracts so you can never play catch up. We know it is coming and we need to position ourselves and put some compensation for that and that will take some work.

Ms. Bates, there are a lot of caveats with that and a lot of things that need to be taken into consideration because if you are not careful what you do is pay for people who aren't – you pay more, some supervisors are not dedicated full time as state use and you can't pay 100% of their health care premiums. Then you have most of your individuals with disabilities, the time they are working, hour wise you get into so many different variables with that. There will be a lot of questions related to that in terms of what the state can do based on all of those variables because with state use it is not like you have 10 employees and 400 hours. You've got 400 hours and 20 employees because they don't do it by FTE. The state is use to FTE so that is where you are going to run into a problem. Because the state looks at everything by a 40 hour work week. A lot of variables that will be different for you than would be a contractor. These are just things to look at for health care. The premiums are higher and it isn't fair but it is the way it is, with aging and individuals with disabilities. The Medicare buy in is an option for a lot of your individuals so if they don't have Medicaid and that is the other thing we have to look at, a lot of individuals that you are talking about already have Medicaid and you are going to have to show that the individuals that you are presenting in this FMP don't have Medicaid already, are eligible for the Medicaid buy in where you can give them \$50.00 maximum a month, that is the maximum that Medicaid buy in can charge. So, we have to look at all of those things as a Committee, it is not the same as another contractor who is not working with individuals with disabilities and doesn't have the options for Medicaid and Medicaid buy in.

Ms. Bever, we are in the process now of doing an internal census basically to see if any of our folks are covered by that or could be, but contract situation staffing changes can change that dynamically as well.

Ms. Bates, how will that work in terms of Medicaid buy in? You can't require someone to do it so can you give them the money and let them do it so the premiums are lower because that individual is going to pay \$50.00 whereas you would pay \$300.00.

Ms. Bever, with NISH health and welfare benefit an amount paid per labor hour to the employee.

Ms. Bates, on the National level everybody doesn't have the Medicaid buy-in and we don't use that as a state as much as we should. Most of your individuals who are eligible are going to be on Medicaid anyway.

Mr. Monterosso, well nothing has been simple so far. We don't expect anything to change.

Mr. Greene, I wish everyone a very Merry Christmas, be safe and be well. I want to add to Jan's comment regarding Mr. Monterosso and his staff. I think this is the first time in a couple of years that I have been involved with this that the level of engagement has been through the roof and that is a good thing. I believe when you are engaged great things happen. When you are not engaged, you don't know what is happening. I think that you and your staff are doing a great job and I think the level of engagement, I have never seen anything like it and I think that is a good thing. Your head is in the game and you guys are playing and you are able to provide good resources for the CRPs and that is really what it is about trying to teach them and help them of all the possibilities that they could increase their business and increase the opportunity for people with disabilities to work and I think that is fabulous and I think you guys do a great, great job with that. So, thank you, I really appreciate it. Have a Merry Christmas everyone.

Ms. Bates, I think you have done a really good job in a short period of time.

Mr. Monterosso, Merry Christmas to all and I know that Cedric and Mike have an employee appreciation. We do have plenty of homemade food here today and everyone is welcome to join us for lunch.

#### **PUBLIC COMMENT:**

None

#### **MOTION #4**

**Ms. Bates moved to adjourn. Ms. Smith seconded.**

## **COMMITTEE MEETING DATES FOR 2013**

January 16, 2013

February 20, 2013

March 20, 2013

April 17, 2013

May 15, 2013

June 19, 2013

July 17, 2013

August 21, 2013

September 18, 2013

October 16, 2013

November 20, 2013

December 18, 2013