

MEETING MINUTES

July 17, 2013

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. July 17, 2013 at Pace Enterprises in Morgantown, West Virginia.

ATTENDANCE:

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

WVARF Staff: William "Bill" Monterosso
Mark Jackson
Aaron Jones

Absent: Brenda Bates and Carla Cleek attended by Conference Call.

Guest: Devin Slone, Green Acres
Greg Morris, Pace Enterprises

COMMITTEE CHAIR REPORT:

Mr. Greene, do we have an approval of the minutes from our last meeting?

MOTION #1

Mr. Sullivan, if no corrections or objections to the minutes I move they be approved. Jan Smith seconded. Motion passed.

Ms. Smith, there has been a suggestion from WVARF membership and I am just bringing it to you from them that perhaps there are more in the minutes than there needs to be and that perhaps they could be more condensed. I'm just telling you that was a suggestion from the WVARF membership.

Mr. Greene, what is going to happen, Carol is going to continue to do the minutes the way she has always done those minutes and then when she sends those minutes to me I will send out the minutes. Carol will always do what she does because I think we need that to go back to if we have to go back as a Committee. For the minutes that go to the public we won't take anything of substance out of it but the verbiage we can take some of that out as there is no value in it for anyone else. I clearly agree so Ms. Carol, please continue to do what it is that you do and when you send them to me I will abstract out of there, but we will always have that main one there for the Committee or whoever and we will send out a one page saying these are the highlights of the minutes and that will be my responsibility.

Mr. Sullivan, that is what I would suggest that it would be a one page deal.

Mr. Greene, Brenda are you ok with that?

Ms. Bates, sure

Mr. Greene, I agree and I appreciate you Jan bringing that up.

Mr. Greene, at some point when we walk through with Mr. Morris, I just want to say prior to that, Mr. Morris we appreciate your hospitality, it is never taken lightly anytime someone invites us and allows us to come and be in their area around their employees and around their staff because if we weren't here it would be a little different, not much, but a little difference, so we appreciate that and we don't take that lightly I can assure you. Where else have we visited Jan?

Ms. Smith, we have been to Precision Services.

Mr. Greene, we want to get out to places and I recommend to Bill that once a quarter we try to get out if not more, but certainly once a quarter we leave and maybe go to Jan's area then I wouldn't mind going to Ms. Sampson's area at some point and I believe it is somewhere in Clay County. Just to get out so that people can come to the meetings if they want to so we can see what the CRPs are doing. So we do appreciate as a Committee and we thank you for the invite and we appreciate everybody's time and effort in getting here and that we will try to do this once a quarter. Thank you for all the hard work that you do and that of our staff in accepting us today, we really do appreciate it.

Mr. Morris, we are delighted to have you.

EXECUTIVE SECRETARY'S REPORT:

\$5,055.00	-	Annual Allocation
0.00	-	A/P Personal Expenses (Act. 001)
0.00	-	A/P Employee Benefits (Act. 010)
0.00	-	A/P Current Expenses (Act. 130)
1,538.15	-	Disbursement
<u>481.86</u>	-	Transfer Out
\$3,034.99	-	Balance Remaining

Mr. Sullivan, do we have any balance left over from last year?

Mr. Arrick, I don't know really since I took this over but I will check.

Mr. Greene, I believe it just rolls over and I don't think it ever goes over \$5,000. Say if what you have left over at the end of the year, then General Revenue will give you the difference.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Monterosso, we are still keeping a pulse on the renewals, actually it is the majority of the staff's first renewal. Mark, Gary, Cyndi and I are all new, and we have not experienced a renewal. I have been a nervous wreck for about a month and a half. I had a meeting with Purchasing Division a couple of weeks ago to make sure I wasn't missing anything or am I going to get hit over the head with a bat because I dropped the ball on something and they assured me we have everything that we could possibly need. I have never experienced a renewal and I am not the most patient person in the world but I have worked prior to this in state government so I understand things don't move as rapidly as you would like them to. The service agreements went out, the contracts went out, and Cedric's letter that we jointly signed went out explaining that we are extending the contract for six (6) months. Some of the state agencies became a little confused when they submitted it back to Purchasing. The other glitch is when it gets to the Attorney General's office for approval it seems to just sit there and we have worked it out with Purchasing that as long as the release order from the agency, we didn't necessarily have to wait for the Attorney General's office because 99.99% of the time the CRP is working with that state agency out of good faith. It has been approved by the Governor's Committee, it has been approved by the CRP, everyone is on the same page and it is just a matter of signing off. Yesterday we got a thick packet of all the DHHR contracts. There have been a couple of instances where we missed a couple of contracts that didn't go out and we recognized that we either got notice from the CRP or the state agency and it was fixed. I have tried to minimize that as much as possible.

The last Governor's meeting I introduced Shana Trippett to you and Shana is no longer with us. Shana was good to get us on a path of organization of being detailed of putting the contracts in chronological order, getting rid of the mounds of paper and not go totally paperless but move towards that direction. She took another position with a legal firm and it left us in the middle of the renewal process of tracking and we had to get our feet under us and try to figure some things out. I don't know if everyone understands fully the amount of workload that is on that office. It is an intense amount of work, especially when you are trying to transition and embark on changes with policies. The total office is responsible for the bulk of what happens. If Mark is off I don't want the office to not be able to function; therefore, we need to have a common understanding of what each other does, where those contracts are and move forward.

Next Monday, we will have a new staff on board. We are all just digging in and sucking it up and getting through these renewals. I just want to keep moving forward. A new staff will be in place and I met with her last week, Aaron has worked with her in the past, she is very qualified and very detailed, similar qualities as Aaron and she will assist with the financial end of things, she will be a resource for Aaron and Joyce. There is just too much work for her right now, let alone when we grow the water and standardize and all the things that we are doing. There is no way that she could possibly keep up with that workload. We are going to bring in an individual who will help process those invoices and make sure they are correct and payments are timely. She will be trained to help with the website so she can do some of the website input as well as CRPs membership accounts and helping with the financial end of our business because we will be growing. This time next year I hope to not look anything like we look right now as far as financially and as far as the number of individuals that we serve. Cyndi is off during the summer.

We are in the six-month extension and December is the commodities and the service renewals because we got extensions on both of them. This week we will be getting out some templates for CRPs to fill out to list their current commodities with the pricing structure. Making sure that any old commodities that need to be off are off and any new commodities that they want to add.

Revisiting water, the price was set by the Governor's Committee and we have every intention of not only being competitive with the state agency but Lesage Water, we will be branding that water. Any CRP that is distributing that water will be under that brand of Lesage as opposed to the 15,000 names that are out there now. We need to market that as it was voted the best water in the world right here in West Virginia, so we need to blow that business up. The only way we can do that is get it at a rate that is competitive not only with state agencies but with free market. We are looking at some investment funds and some other things to help with that cause. Our target date is November of this year to bring before this Committee, the commodities list of any products that need approved and that way we will be ready for December and we won't be scrambling.

We had the SUPRA meeting in New York and I took Mark with me to meet with a couple of different states to talk about how they do their contracts. We moved away from task based to performance based. I have heard Brenda say this and I agree we want to have a really true performance based contract that is a flat rate that is fair market that is established and approved, that is ISSA recognized. I did a drive by with Purchasing on this and Dave Tincher said if you can pull that off that would be wonderful.

As you know we have several committees established like standardization, marketing, and governor relations. I combined the standardization and the rehab committee because everything that we should be doing should have a standardized approach and everything that we do, impacts individuals and should impact individuals with disabilities so it only makes sense as opposed to having some duplication. When we are looking at how we serve an individual with disabilities, how do we improve products, how do we penetrate the market, how do we increase our referrals, there needs to be a standardized approach to that method, so I combined those.

I talked with Brenda and LuAnn Summers this week. During the rehab committee there was an idea expressed by a CRP to have trainings for the CRPs so they can understand the language of DRS and how DRS talks in terms of outcome which they should as their main goal is employment. Looking at when a CRP gets a referral I think it is critical that the CRP understands what the purpose of that referral was for and how we can maximize the use of that time during that referral as far as assessments, job skills, coaching, employment, and ultimately have the same goal as DRS and that being sustainable employment.

One of the CRPs was a former DRS Counselor who said he could do this training and I actually asked Brenda if it would be a conflict if Jerry Carper who has been there more than 30 years as opposed to a few months with DRS would be willing to do that. Jerry Carper sits on the CNA Committee and he is a retired individual. Brenda said she would prefer if any training was to be done that it needed to come from DRS and I agree. If we are trying to build that relationship and building a standardized approach we need to have a standardized method of that training from the perspective of an agency that the training is centered around. LuAnn and I have talked and I will fill you in as we move closer to that.

Mr. Greene, so the conversation that you and Brenda had about the DRS Representative type thing, what is the finality of that?

Mr. Monterosso, there is no finality right now, Lu Ann Summers and I have talked and she will coordinate that training and she is speaking with her supervisor. This just happened this week.

Mr. Greene, this gentleman that is retired.....

Mr. Monterosso, he has nothing to do with it.

Mr. Greene, so he is out of the picture?

Mr. Monterosso, right.....

Ms. Smith, from a CRPs standpoint, I had dropped back from participating in WVARF Committees because I felt like nothing was ever being accomplished. We are accomplishing things now, things are happening. We are having outcomes that are helping all of us to be more successful and I think that we will see more people from CRPs becoming involved because that is what we need to better understand so that the state use program will grow also. It is a real positive move that is happening now. I serve on the Rehab Committee that got combined with standardization and I think that was a very appropriate move.

CONTRACT PRESENTATIONS:

Mr. Jackson, the first one is Veterans Assistance. We sent out an RFI for this work to be done and we had no responses to do that work, so we are going to send it back out again and try to approach any CRPs that would be interested in doing the work.

Mr. Greene, where is this located?

Mr. Jackson, in Charleston

Ms. Smith, why do you think no one responded, usually in Charleston they are all over it.?

Mr. Greene, tell me specifically where this is located.

Mr. Jackson, this is located at 1514 Kanawha Boulevard, East.

Mr. Greene, this is the Cabinet Secretary's office.

Mr. Jackson, everything has been approved for this; however, I know I need to come back and I need to get the matrix if there is anyone to do the work.

Mr. Monterosso, we are just going to put this one on hold.

Ms. Smith, when did the RFI go out?

Mr. Jackson, about two weeks ago.

Ms. Smith, maybe it was just missed; I would send it out again.

Mr. Jackson, the second contract is for the newly remodeled renovated building in Wheeling for DHHR. WATCH, Inc. currently has the contract. The customer contact there is Linda Harmon. I sent Linda a copy of the contract to see if she was good with it. She sent the contract on up the pipeline thinking that it was ready to go when I was just sending her a copy to be sure she was going to be good with it. I talked to Abby Cook who is over their DHHR purchasing and she said that is really not my call. She said she didn't do anything with it because it wasn't signed. Well, it wasn't supposed to go that far up because it had not been to the Committee yet. What I would like to ask the Committee, can we approve the contract based on whether DHHR is good with it or is that something we can do?

Mr. Greene, say that again....

Mr. Jackson, the CRP is good with this contract, I believe the state agency is but I don't want to assume that without them giving us the green light.

Ms. Smith, is this additional square footage on a contract that already exists?

Mr. Jackson, yes but it is a new building and it is actually 32% bigger than the existing building. It is a renovated building and they are moving into it.

Mr. Monterosso, so they are going from one building to a completely separate building, so it is a new contract?

Mr. Jackson, right.

Mr. Greene, I don't think we have a problem with having a motion to approve or disapprove. Then, the burden is on you if there would be an issue with it or DHHR would come back and say something that is outside of our intent and you would have to bring back to us with a change order or something.

Mr. Jackson, I will make sure everybody on the Committee has a copy of their response by email or letter.

Mr. Greene, I don't think we should hold it up. What I would suggest to you from now on, when you are sending out these documents just for them to view, I would stamp DRAFT, or for informational purposes only on them so they would know what your intent is. I don't think we have a problem with a motion.

MOTION #2

Mr. Sullivan, I approve the DHHR, Wheeling, Region 1 contract as we know it today and if it were to change the intent of our approval then Mr. Jackson or Mr. Monterosso would inform us and come back to the Board. Ms. Smith seconded. Motion passed.

Mr. Greene, the one thing I want to say about the Veteran's contract. Everywhere it appears on the second page and on when you are talking about the Veteran's Assistance where you have Town Center Mall, all of that is incorrect and needs to come out.

FINANCIAL REPORT:

Mr. Jones, this report is up through May 31st and that will be eleven months out of the year. One item that I did research was the current change in the assets; it is at a negative of \$126,205.94. What I found was one item had been billed early for \$22,000 so that will drop it down to about \$104,000. That looks like where we will be at the end of the year.

When I went through the budget items you will note that we discussed this previously. There were several items on there that was not budgeted and when I went through and added the ones that weren't budgeted and those that were over budgeted because of the move and all that came up to about \$95,000. That is where that decrease in assets is coming from this year.

Our receivables over 90 of the older items we have one item for \$30,000 to the Diamond Building that is still being processed. The other three big items have been paid. Of the \$189,000 that shows over 90 days, \$111,000 has been paid. That brings us down to \$77,000 and then with the \$30,000 being processed we have \$46,000 more.

The over 60 column, \$112,000 of those have been paid so that brings us down to about \$50,000 on that column. I have several p-card payments, everybody is trying to close out their year and get everything posted, so we have been swamped with p-card payments so some of those items we don't have in the system yet because we are still processing. We will continually work on that area.

On the last page was the question that was brought up at the last meeting concerning the \$52,000? Cedric did you get my email on that.

Mr. Greene, I certainly did and I appreciate that.

Mr. Jones, we had given you this report the last time on where we thought that money had processed from and the entry for \$131,000 was a write-off, when we came into the issue with Goodwill. Then the following year there was an addition of \$89,000 as revenues that we recovered. So that left \$42,000 difference. Of that was when the settlement was made because you will see the green item there, the \$25,000 that was what was paid by membership to settle this problem and there was some payables in there that were written off so that came down to another \$27,148.33. Those two items make up that balance. It was really sort of a prior year adjustment that was put in here just shown to capture this account. Once I speak with the auditors I will see if it was handled properly or if we have to make some other adjustment, but that is where the \$52,000 came in. Any questions or anything you would like to discuss?

Mr. Greene, I appreciate you getting back to me on that as I think we were all a little concerned what that \$52,000 meant. I think you have answered that well. If you do find out from the auditors that there is something that is odd please be sure to brief us on that.

Mr. Jones, we are currently trying to complete last year's audit. They have all the information and hopefully we will have a draft by this week and then we have everything lined up to go forward with the current audit and my goal is October 1st to have this year's brought up-to-date and cleared up.

Mr. Greene, you all have not presented a budget to us yet have you?

Mr. Jones, yes

Ms. Bates, this current year we are in we have approved a budget?

Mr. Monterosso, this current year?

Ms. Bates, yes for 2014.

Mr. Monterosso, yes

Mr. Greene, did we do that in May?

Mr. Monterosso, the CNA approved it and the board approved it.

Ms. Smith, it might have been April.

Mr. Greene, ok I just want to make sure, I will go back and look I guess it is either April or May.

MOTION #3

Mr. Sullivan, if there are no questions regarding the financial report, I move they be accepted. Ms. Smith seconded. Motion passed.

Mr. Greene, Mr. Jones I really appreciate you getting back to us on that \$52,000.

Mr. Jones, with the additional help we are going to get we can focus on that more. I got one in yesterday that was a 2012 invoice so the older stuff has been pretty much cleaned up.

Ms. Bates, am I understanding this correctly that you were \$100,000 over budget for FY2013; do you anticipate that is how June is going to come out?

Mr. Jones, that is what it looks like right now, of course until we get everything posted I can't say for sure but I'm fairly confident that is the area we are going to be in.

Mr. Monterosso, we already explained the increase with the move, hiring me with the head hunter, that cost the board absorbed. The other thing that is impacting this, we have been trying to get money out to CRPs, particularly the ones that are struggling or trying to meet payroll a little before we get paid from the state. So our accounts payable are going out before our receivables come in. That messes with it a little bit. The other thing, we have one CRP that likes to submit invoices whenever they find the invoice, so it will be 2, 3 or 4 months and no invoices coming in then all of a sudden we get a large invoice and it throws off the numbers. Hopefully, we will be able to rectify as much of that as possible with the new addition of the new employee.

Ms. Bates, by the next meeting you guys will have an overall idea of how short you are on the budget for 2013 and then my next question is for 2014 you have a balance budget because I can't remember but I am assuming it is.

Mr. Jones, yes

Mr. Monterosso, 2014 this year is my budget so it is hard to take over someone else's budget.

Mr. Greene, 2013 was somebody's budget that went in the tank and so when you say that 2012 belonged to somebody, 2013 belonged to somebody and now 2014 belongs to you. It doesn't negate the fact that you are \$100,000 in the hole. Regardless of whose budget it is I think that is entertaining but it doesn't really matter as it doesn't change the fact that it is \$100,000 in the hole. I guess respectfully, you guys are no different than a state agency or anybody else that has a budget, whether it is a household budget or whatever, that you guys just need to respectfully, you just need to be thinking what can we do to save \$100,000. Again, the move was probably \$40,000 and you won't have a move this year so you don't have to worry about that, but you do have to worry about something, some unknown that is going to happen that you guys can't control, whether it be personnel or whatever. I think what Brenda is suggesting and certainly what I am suggesting is that, respectfully it would not hurt you guys to look at it and say you know what, we can cut here and we can cut there and just be proactive on that type of thing so that you are nowhere near being \$100,000 in the hole again or even \$50,000 or \$10,000. A company that goes \$2,000 in the hole they close down their website and they close the doors. I understand that this is your budget, but I think what really matters is how do you do business and are you looking to ensure that you stay away from getting close to the fray of being \$10,000 in the hole at the end of the year.

Ms. Smith, being a CRP that has long felt WVARF needed to do more to assist the CRPs that they haven't done in the past. Some of this money that was spent was done exactly for that and I understand what both of you are saying in that you didn't set this budget up and it wasn't set up and possibly looking back we should have had a new budget, we should have adjusted it and said we are going to do this in the future so the budget needs to be changed. Although you are seeing \$100,000 in the hole, I am seeing \$100,000 that was an investment towards helping state use and CRPs. By that respect, they didn't go in the hole; they finally used some money that should have been used to help CRPs. That is totally my belief.

Mr. Greene, I certainly see that perspective. The bottom line is you guys didn't close the building. You didn't go out of business; you had the money there for that. What I am saying, if you don't adjust the budget, essentially that is going to happen.

Mr. Monterosso, we designed this budget based on fundamentally where we are going, and dollar-for-dollar what we trended that we are spending and what we can cut back. Not to sound flipped or irresponsible, \$100,000 I don't think it will be \$100,000 as I think it will be less than that, none the less, over 13M or 14M budget, the budget is really a guessing game as you don't know when the invoices are coming in, when they are going out, you add businesses and you lose businesses. You have a 5% cut across-the-board, we have agencies that have reduced contracts with us, you can't project that, but I am respectful of that. The bottom line is, if it is \$100,000 it will be absorbed in this year's budget. It will be a balanced budget. I came in July of 2012, Marsha came in June of 2011, so I took over a budget halfway that was designed and she took over a budget.

Ms. Smith, something that is not mentioned in all of this. WVARFs current staff has resolved an issue with the website which we had invested a lot of money in that just sat there for years and never did a thing and they resolved that issue, have it working and spent no money on that. That would have been worth \$125,000 to me to get our website up and current. I understand what you are saying Cedric, that perhaps looking back in December, we maybe should have said, hey this budget isn't working; we need to make an adjustment. In the future that is what we need to do.

Mr. Greene, the last point on it is you guys have a CPA now.

Mr. Sullivan, who in the state approves our budget?

Mr. Greene, that is the purpose of the Committee and the CNA. We are the ones who would approve. That is why I am very happy that you have a person who does it.

OLD BUSINESS:

Mr. Greene, I just want to mention, the contract extension which you have already talked about Mr. Monterosso, so we are good there and you think that will be in November, correct?

Mr. Monterosso, yes we will bring that.

Mr. Greene, the contract that was extended for WVARF is up in May and we will have to go out with an RFQ on that. I hate to do this but I would like to talk about that in Executive Session. I want to talk about that and then I want to talk about Board members.

MOTION #4

Mr. Sullivan, I move we go into Executive Session. Ms. Smith seconded.

Mr. Greene, it will be very brief, I promise.

MOTION #5

Mr. Sullivan, I move we go out of Executive Session. Ms. Smith seconded.

NEW BUSINESS:

Mr. Greene, no decisions were made while we were in Executive Session. As an overview what we talked about:

- 1) We have two open positions on the Committee that need to be filled so we are going to gather names and submit those to the Governor's office for the Governor to make a determination on who he would like to fill these two open positions with.
- 2) The contract has been extended for its last extension. Purchasing is not going to or can they under rare circumstances authorize the contract to go beyond May, so we are going to go out with an RFQ and we will bring that RFQ here and one of the Committee members will make a motion to accept or to not accept it and if it is accepted we will send that out then we will wait on those responses and there will be a committee to be named. I will certainly be on the committee, Mr. Sullivan will be on the committee, Jan and Brenda will not be on the committee. There will be someone from Purchasing Division as a representative on the committee and someone else to be named, after I talk with Cabinet Secretary Taylor to get his blessings and guidance. I just wanted the board to be aware of what we don't want to do is wait until March or April and go back to Mr. Tinchler and say, hey administratively we didn't do our job and so what we need to do is request an exception to the policy for an extension and we don't want to do that.

Mr. Greene, do we have any public comment?

Mr. Greene, could you say again who you are?

Mr. Slone, I'm from Green Acres, Lesage bottled water. I have been to your meetings before but it has been a while.

Mr. Greene, who is the young lady there?

Mr. Slone, that would be Debbie Birthisel.

Mr. Greene, yes Debbie, how is she?

Mr. Slone, she is fine, still there.

Mr. Greene, just let her know that we did ask about her. We are glad that you took the time to come up and be with us.

Mr. Greene, it is really good to see everybody, good to see you Jan. I just want to clear up one last thing. I did speak to Mr. Tincher regards to our conversation as it relates to Fairmont. Mr. Tincher doesn't have any vote or any concerns or anything so if you and Mr. Jackson would get together and bring that to the Committee, I will be looking for it. Does that make sense?

Mr. Monterosso, after that meeting there had been renewals after renewals to that contract and I met with Dave Tincher and Mike Sheets and he said that was Fairmont State and we have nothing to do with that and the Governor's Committee has nothing to do with it. If you want to keep the Governor's Committee apprised of it that is fine but that is Fairmont State's business, we have no business in how they do that. We did a service agreement with Fairmont State as per Dave Tincher.

Mr. Greene, just make sure you come back to me.

Mr. Greene, Brenda and Carla, we appreciate your time, energy and your effort in getting on the phone with us and Brenda I know you have been here at Pace with us before. I think Mr. Morris is going to give everybody a tour. He is going to provide us with lunch and a tour. We will then be on our way.

Mr. Slone, I would like to invite you to come to Greene Acres, perhaps in September or October.

Mr. Greene, get with Bill and we would like that, perhaps in September.

MOTION #6

Mr. Sullivan, if no other business, I move we adjourn. Ms. Cleek seconded.

PUBLIC COMMENT:

None

COMMITTEE MEETING DATES FOR 2013

August 21, 2013
September 18, 2013
October 16, 2013
November 20, 2013
December 18, 2013