

## MEETING MINUTES

August 21, 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. August 21, 2013 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; Don Arrick, Executive Secretary; Carol Jarrett, Recording Secretary.

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

Attended by Conference Call: Brenda Bates  
Jan Smith

Guest: Brenda Hellwig, Job Squad  
Carla Cleek, Division of Rehabilitation Services  
Cheri Bever, Goodwill Industries of Kanawha Valley

#### COMMITTEE CHAIR REPORT:

Mr. Greene, good morning and I believe we have a quorum. Who do we have on the telephone?

Ms. Bates, both Jan Smith and I are here on the phone.

Mr. Greene, we have taken the roll call and introduction of guests and everyone on the Committee should have their packets that were sent to you. Has everyone had an opportunity to read the minutes and if so, do we have an approval of the minutes from our last meeting?

Ms. Bates, I do have a correction, on the first page it says absent then it says Brenda Bates and Carla Cleek attended by conference call. When we attend by conference call we are not absent and I think that should be removed. It is really attending by conference call, just not attending at the meeting. It might look like we don't have a quorum without it.

Mr. Greene, Carol could you adjust that from now on please?

Mr. Monterosso, on the last page, motion #6, Mr. Sullivan moved to adjourn and Ms. Cleek seconded. Is Carla part of the Committee or is she a proxy for Brenda. Since Carla and Brenda were both there.

Mr. Greene, that is perfectly fine, whether Brenda is there and Carla is there, as long as we have a quorum then we are fine.

Mr. Greene, with that one recommendation to fix the justification that we have been using as absent and the people who have been attending by conference call they will be in attendance.

**MOTION #1**

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

Mr. Greene, just a couple of housekeeping items. There is not an approved budget. You said that it was the last time and clearly there is not. Bill, your CPA and Jan you guys said there was, doesn't change the fact that it was stated. That is a misstep and we have to do better but with that being said, as a rule of thumb make sure collectively before you guys tell me something that we have researched it and made sure what it is we are saying. Here it is in September and we don't have an approved budget. That is problematic.

Mr. Monterosso, I will take 100% blame for that as I could have sworn I was sitting in this seat and we shared that. I know the CNA Committee it is part of their responsibility to approve that budget and I still to this day believe that was shared. It was shared but there was never a motion.

Mr. Greene, let me stop everybody, there is no approved budget – that is the bottom line. When you tell me something and you tell the Committee something, we need to make sure we are all on point. I want to be crystal clear about that. I want people to know that when we say something as a course of business and something for the budget – that is huge. That is the whole purpose of myself and the other members on the Committee being adamant that we must have the CFO because that is what the CFO does, he makes sure we are tracking and when we are not tracking, he has to financially get us on track and say hey, we don't have an approved budget or whatever, but let's make sure when you all as WVARF or as a Committee, when we state something that we know what we are talking about. That is the first point.

The second point is, there were some contracts Bill that you brought to me and I signed those and I got an email to come and sign some other contracts and I came to sign and in fact they had not been in front of the Committee. Let's make sure that does not happen because that would be in direct violation of the Code and what it looks like is – it looks like it is a hook up from Everett's standpoint, Brenda's standpoint and Cheri Bever's standpoint. They can look back and say what the heck is Cedric doing, it didn't come in front of the Committee so it infers that I have some value in receiving something from those contracts because they are not coming in front of the Committee as it is a requirement. Let's make sure your contact guys or whoever does it for you, let's make sure that all contracts are brought before the Committee and that I sign them in front of the Committee so they know I am not doing anything improper or outside the realm of the code because the last thing I want to do is give the impression – perception that I am working outside the Committee because that does not serve me well. This job is 10% of my time and I don't want it to mess around and cost me my job because I am signing things that are not proper.

Mr. Sullivan, I was wondering if there has been any progress on getting the new Board members since we discussed that at our last meeting.

Mr. Greene, Brenda and Jan have you guys gotten any further on submitting any names to me for Mr. Mason and Ms. Stewart?

Ms. Smith, no I don't have anyone.

Ms. Bates, I asked about that once before and I didn't get anything, but let me try one more time and I apologize I forgot and I will try one more time and see what I can find out, I will do my best.

Ms. Greene, September 1<sup>st</sup> if I don't have recommendations, I am going to pull the trigger. We are going to mess around and be in a position where we don't have a quorum and that will be a problem, so September 1<sup>st</sup> if Jan or Brenda or anyone has anybody they would like to recommend for Mr. Mason or Ms. Stewart, please submit those to me by September 1<sup>st</sup> by email or send me a letter.

Mr. Sullivan, did they send in a letter of resignation?

Mr. Greene, Ms. Stewart did, the Governor's office has had Ms. Stewart's for quite some time now and I sent Mr. Mason a certified letter asking what his intent was and he did receive the certified letter but he has never called or sent me any correspondence back. We will move on down the road to replace both of those individuals.

#### **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)
25.67	-	A/P Current Expenses (Act. 130)
103.83	-	Disbursement
0.00	-	Transfer Out
<u>\$4,925.50</u>	-	Balance Remaining

#### **MOTION #2**

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

#### **EXECUTIVE DIRECTOR'S REPORT:**

Mr. Monterosso, first of all I want to apologize, that was by no means my intent and staff knows better to submit anything in front of you that has not been approved by the Committee and if that did happen.....

Mr. Greene, it did happen.

Mr. Monterosso, I am not saying it didn't, I'm just saying if it did happen and since it did happen, I will look at that specific contract and I will deal with that. My understanding was that it was one that had been approved and there were some adjustments that needed to be made and it had to come back and there were no changes and it was something that didn't have to come before the Committee that is what was instructed to me. I will take care of it and I apologize and I appreciate our relationship and I never want to put you in a vicarious position. The contracts that I brought over to Cedric were a boatload of Goodwill contracts from GSD and part of it is we are going to make mistakes and we are continuing to learn and I hope that you realize and appreciate that we are continuing to improve and our goal is to make constant improvements. Those particular contracts were when we did the extensions we didn't realize there was a group that was January 9<sup>th</sup> that actually died and so you can't extend a contract that expired. It had already been approved; there were no changes so I didn't believe that needed to come before the Committee.

We gave you the copy of our audit. Last year we emailed that out and about 85% of the documentation for this past fiscal year is gathered so we are well ahead of the curve to get this audit completed so we are on track. The draft FY13/14 budget Aaron will take care of. We talked yesterday and I drew a picture of the table and unless I am completely losing my mind you did say it was discussed, I didn't realize it wasn't approved. Because I knew it was shared, so we do have that to review.

I need to make a few points clear and Aaron and I talked about this yesterday. I don't want my passion to be confused with my ultimate goal. When we brought up Cabela's I sensed reluctance, I am not going to lose sight of the 4.1%. When Aaron and I spoke yesterday we need to back up, we need to work on the fundamentals and we need to focus on the 4.1%. The Cabela's thing – all that was, our liaisons in that area working with the state agency and the state agency gave the lead and made a referral for CRP outside of state use. The vast majority does outside of state use. We are going to focus on the fundamentals, getting protocol in place. We have a committee, Cheri and I spoke and we are going to look at a few things, matrix, design, we have already reviewed how we do the contract processes but we are going to look at the temp services, we are building standard operating procedures. We are going to focus on state use.

I appreciate Cedric's willingness and openness and if that has been perceived as taking advantage of, I apologize. I want to be transparent and if we can't be transparent and only see all the great stuff, so if I have called on you more than your time allows just tell me and I don't want to do that purposely or put you in a position but I want to be in a relationship that you are not blindsided. I'm hoping you will be pleased with the final budget. It is August and even though purchasing tells us that everything is running slow we are not getting them back, I am starting to get a little more nervous. We are going to reach out to every single state agency that we haven't gotten a purchase order from and just call and say what is holding it up and Purchasing is even telling us that things are coming back to them slower than usual. I want to know a definite number. I have a definite number of how many we have back but I want to know that every single person has a contract in their hands and that we are not missing anything.

In addition leading up to November we will have the new contracts to be approved for January. Mark and Gary are out working their calendars and doing the assessments to make sure the contracts are correct. They are going through each facility, each building and making sure the contracts are correct and accurate.

I just wanted to make those points: a) I didn't want to put you in a vicarious position; b) I want this to be open communications; and, c) we want to be transparent. We want to focus on fundamentals, focus on their 4.1% and look at opportunities to continue to expand our water, increases opportunities for those individuals with disabilities and our goal remains as it has from day one to make CRPs sustainable, create that opportunity for them and then the byproduct of that, those individuals who, if it weren't for things that we do, so they have that opportunity for individuals with disabilities to have the vibrant quality of life. That will never change.

### **CONTRACT PRESENTATIONS:**

Mark, I sent a contract summary to everyone and I hope all of you have had a chance to look at it.

- 1) Winfield, DHHR WIC Office: For some reason this didn't make it through the channels and we caught it when we were doing the extensions. This is a janitorial contract and the work will be performed by Goodwill Industries of Kanawha Valley. When we were doing the extensions I worked with Cindy Pilla and Margaret Ingram and we decided it would be best to redo the contract. It was the same contract that was approved at the January meeting and it was set to start in February. There were some minor changes on it. It is \$281.33 monthly and with p-card \$289.43.
- 2) Change order for WV Lottery. They have added an additional square footage of 2599, and the work was actually started August 1<sup>st</sup>. I am asking if we can make this retroactive back to August 1<sup>st</sup>. It is \$770.66 monthly.
- 3) Veterans Assistance is a brand new contract. Monthly Rate \$153.28 and \$158.68 with p-card.
- 4) DHHR in Wheeling, this is the contract that I requested last month at the July Governor's Committee and you granted it based on the condition that nothing changed; however, there were some changes in it. The actual dollar amount did not change but the start date changed, so therefore the total money at the end of the year changed. Based on the motion I wanted to make sure we brought that before the Committee because I said if there were absolutely no changes and I didn't have the signature from DHHR yet.

- 5) Division of Motor Vehicles, Summersville, WV. We put out an RFI and we had two (2) CRPs expressed an interest. I have a copy of the matrix for you. I had Mary send to you the information regarding CRP 1 and CRP 2. There have been a couple of changes because at the end it says we are waiting for approval from the state agency. I went before Jerry Conrad and talked to him about it and he wanted to drop the hours back from 5.46 down to 4 hours because they currently have a temp service in there cleaning it and they feel like four hours is adequate. Based on my calculations it doesn't show that is adequate but I talked to him and told him we will try it and see what happens and he said we could renegotiate at the end of this contract year. Also took out the vacuum cleaner as he said there was a vacuum cleaner there. I took those two things off so that is all that has changed. CRP1 is \$1,002.62 and CRP 2 was \$1,021.54.

Mr. Greene, did they get a waiver to have the temp service?

Mr. Jackson, they actually use the temp service through us, so they are good.

Mr. Greene, seeing that the scope changed, do we need to go back and start the RFI process over again or is what you have fair and adequate to make a decision on CRP1 or CRP2?

Mr. Jackson, I think it will be fair and adequate to make the decision. The only question would be if we take it to the CRP whoever gets awarded and say, are you willing to clean it for that and for only four (4) hours. We will see what we can do based off the scope-of-work because I can use the ISSA manual and that shows an average – time and motion study – there is really some subjection there.

Mr. Greene, from the person who did the RFI, the two CRPs when they started out they thought it was going to be x amount of sq. ft. but now it is different sq. ft. does that change their bid?

Mr. Jackson, the scope-of-work really needs to change but the square footage stayed the same. I think probably the best way to handle it would be go ahead and run the matrix as is if they are willing to do that because obviously it will have to change and I will have to get with Jerry on it. He wanted to make sure we are doing the job for them.

Mr. Greene, it was 5.46 hours and do both CRPS know it is now four (4) hours?

Mr. Jackson, I am not sure.....

Mr. Greene, would that change their dollar amount?

Mr. Jackson, it does change the dollar amount because I think it was at \$1400 + a month.

Mr. Monterosso, there is a temp service in there right now, right? I say we put it back out there for four (4) hours.

Mr. Greene, does that sound right Cheri Bever? You are here as a CRP type person.

Ms. Bever, I think it does make some sense if there is some change, if it has gone out one way but I am going to refer to our board president, Brenda. If it has gone out one way and then there is a change to the scope-of-work, it does make sense that it goes back out. We need to balance that though in making sure they are getting prompt service.

Mr. Greene, there is someone in place right now, a temp?

Ms. Bever, yes they are using someone now.

Mr. Greene, personally, Everette or Brenda can say whatever they want I just know that it just seems cleaner.

Mr. Sullivan, if they agreed on one then it changed it then maybe it wouldn't be acceptable for the change – they would be back to zero.

Mr. Greene, I think that would be our rather on that particular contract. On the other four we will vote on those. Jan, Brenda do either of you have any input?

Ms. Smith, once again I haven't received these contracts. I keep asking for them to be emailed to me but they are not. I don't have them.

Ms. Bates, I did get an email on them but I didn't get a copy of the Matrix and I hear you talking about the Matrix for one but not for the other. Several of those are new contracts and I'm just curious, is there a Matrix for all of the new contracts that shows that you sent out an RFI and how it would be awarded.

Mr. Jackson, we sent out an RFI to all the CRPs and in the file there are several declining it and there were only two that were accepting it.

Mr. Greene, this is in regards to Summersville? What about Veterans Assistance at Winfield, those are new contracts.

Mr. Monterosso, same thing they sent out an RFI and everyone responded not interested except one and that is the one we went with.

Mr. Greene, both Winfield and Veterans Assistance?

Mr. Jackson, the Winfield was done as an original contract.

Mr. Greene, and Veterans Assistance was no longer interested but one CRP was. So Brenda does that answer your question?

Ms. Bates, yes and I think when you do the report because it is attached to the minutes it should be reflected in the report that there was an RFI that went out and only one CRP responded.

Mr. Greene, that would be helpful and in that way it is in the record and it flows out of your mouth when you are reading your summary. Brenda brings up a good point. That is part of the summary.

Ms. Bates, that helps me, I appreciate it, thank you.

Ms. Smith, Brenda did you say you received copies of the contracts?

Ms. Bates, yes, I got an email from Mary Jones, I'll look to see when I got it. Yes you are on there Jan, it was sent out with the agenda and the contracts and several other things like that on August 19<sup>th</sup>.

Ms. Smith, yes I see it, I have it, I'm sorry.

Mr. Greene, is there a motion for DHHR in Winfield, WV Lottery Commission, Veterans Assistance, DHHR in Wheeling. The only one we won't have a motion on is Division of Motor Vehicles in Summersville. We are letting that go back out with a new RFI to all CRPs or to those specific CRPs but as it relates to Winfield DHHR, WV Lottery Commission, Veterans Assistance, DHHR in Wheeling. Is there a motion.

**MOTION #3**

**Mr. Sullivan made a motion to approve. Ms. Bates seconded. Motion passed.**

**EXECUTIVE DIRECTOR'S REPORT:**

Mr. Monterosso, there are three bullets under New Contracts, Contract Matrix. I have made reference to that. We are going to have some clarity to that Matrix as it is pretty subjective, it is open for interpretation and when it is open for interpretation the more gray it gets. We will form a committee and Cheri has agreed to be part of that to make sure it is very concise, black and white and there are no gray areas so everyone would have the same understanding and the same interpretations.

Talked about the contracts extension status report, state use ratio report that is the quarterly reports.

Mr. Sullivan, looks like everything is good except for Hancock County Sheltered Workshop.

Mr. Monterosso, I talked to Michael last week and he was supposed to have given to us that day. Yesterday was my first day back from surgery but I was here a day and a half last week to clear some things up and be part of the CNA Committee. One of the calls I made was to Hancock County.

Mr. Greene, we really don't know what they are doing.....

Mr. Monterosso, we don't know what they are doing but they are not reporting it.

Mr. Greene, have we talked to this person before? Who is he?

Mr. Monterosso, Michael Hagg

Mr. Greene, does that concern you, what would we do administratively to get Mr. Hagg's attention?

Ms. Bates, I guess a letter probably from the Committee because we do need to get that information and make sure it is 75 – 25. I would suggest a letter from the Committee to indicate in order to keep your state use contract they will need to send the information to us.

Mr. Greene, when was this information due?



Mr. Monterosso, it is due each quarter, then we compile.

Mr. Greene, I don't think we had it last quarter did we?

Ms. Bates, I thought everybody was good last quarter.

Mr. Monterosso, everyone was good last quarter.

Ms. Bates, this is August and the quarter ended in June and when is it due – what is the due date.

Mr. Jones, the end of the month, July.

Ms. Bates, and the CRPs understand that it is due and they have a deadline of July 31<sup>st</sup> correct?

Mr. Greene, the other 20 people on here seem to know it.

Ms. Bates, I would recommend the Committee send a letter to indicate that we need that information in order to continue the state use program. That 75% ratio is part of the program and in order to keep that contract he needs to send the information.

Mr. Greene, do we have a motion from Mr. Sullivan for me with the Department of Administration General Counsel to send Hancock County Sheltered Workshop a letter explaining to them that they need to comply with the reporting requirements and to substantiate that they are meeting the 75%.

#### **MOTION #4**

**Mr. Sullivan made a motion to send Hancock County Sheltered Workshop a letter. Ms. Smith seconded. Motion passed.**

Mr. Sullivan, Cedric do you think you should send him a copy of the rules?

Mr. Greene, yes I will, it will be an enclosure with the letter. I will do the letter by the end of the week.

#### **FINANCIAL REPORT:**

Mr. Jones, the audit for the year ending June 30, 2012 is complete. We sent a copy to everyone by email and I wanted to make sure everyone had a copy of that. The last time we met we were pushing to get this so we would have for this meeting so that is complete.

The second item that we talked about was the Annual Report. That has been missing for two years from what I understand. So I went back in Peachtree and pulled GL totals then worked to match the report, the sales reports. Mary worked on the wages and the hourly rates and all that. We want to present this and I don't know if Jan or Brenda has a copy of this.

Mr. Monterosso, Brenda and Jan, I had Mary to email to you, did you receive it.

Ms. Bates, yes

Mr. Jones, this is a draft copy I'm pretty confident in the numbers but I wanted all of you to review it and look at it. We also included the physical year ending June 30, 2010 which was a part of the last report that was produced. I will pass this out to all of you.

Ms. Bates, I am looking at my computer and I did not get that – the annual report information.

Mr. Greene, Mary just sent it to you Brenda.

Mr. Jones, at this point-in-time what we would like for you to do is review it on your time, not right now and this is an item that we have been trying to get caught up but for some reason it was never done. We are up through 2012 and look it over and if you see anything that is questionable let us know and then we will proceed with doing a final draft on it.

Mr. Sullivan, is there anything here we ought to look for?

Mr. Jones, not that I am aware of. I have gone over and over it on the financial side of it to be sure of these numbers. I will say this ties back to the general ledger all except we had one CRP who was billing direct – we got their information from them on their sells and added it to this report. If you are looking to tie it to a general ledger at that period of time that will be the difference. There was only two items that they provided that would have changed that. But, they are currently being billed through WVARF now. Part of the year last year they billed direct. Look at that and go from there and see where you want to proceed.

Mr. Jones, did you get your copy Brenda?

Ms. Bates, yes I did.

Mr. Jones, the other item that was in question was the draft budget.

Mr. Greene, I just want to say that this is a very nice document. I am glad to see it and this puts us in accordance with Code so let's as a Committee, Mr. Sullivan, Brenda, Jan if you guys would look over this and be ready to roll come our September meeting so that we can say we approve this draft to form.

Ms. Bates, I have real concerns already and we can review it the next time.

Mr. Greene, no - what I am saying is, between today and September 18, I would like for us to email Bill and the Committee members and say hey, these are the issues I have and in that way when we come back in mid-September, we are going final in September.

Ms. Bates, it is not about the report and how it was done, it is the information that scares me.

Mr. Greene, that is fine but once we get a chance to dissect it, if you have cares or concerns or you don't think something is accurate we need to get it to Bill Monterosso and his staff so that he can fix it. Carol if you would put in old business the draft for the annual report – it is going to be approved in September.

Mr. Sullivan, who do we send the audit to, do we just keep it here or do we send it to someone?

Mr. Greene, we send it to the Legislative Auditor and a report also goes to the Purchasing Division and it also goes in Purchasing's catalog that they do every year for their conference. They actually put this in there. We just need to make sure that everybody has an opportunity to look at it for the next three weeks but when September comes we are going to have a motion to approve it or not approve it. I don't want to come four weeks from today and we are still talking about it, we are going to pull the trigger.

Mr. Jones, Brenda which area are you concerned about?

Ms. Bates, the number of people with disabilities, table one, number of people with disabilities versus number of people without disabilities that is a very scary thing. If all of our reports are correct and we have a 75% - 25% I don't see how that could be right.

Mr. Greene, I see that too Brenda and I looked right over top of it. I figure if that is suspect the other numbers may have some issues also. That is what you guys need to do on your own time; we are not going to do it right now. Everybody has about four weeks to get it together, but at least we have a document.

Mr. Jones, the budget that apparently we haven't approved, I have copies for everybody. Those were emailed to you and I have some copies here.

Mr. Greene, Brenda do you all have this?

Ms. Bates, yes

Mr. Jones, this budget was actually prepared the month that I started. Melinda who was working here helped us put it together. You can see the 2013 budget and the 2014 budget across from it. On the salaries and all those items, they were based upon the employees that we had at that time.

Ms. Bates, I need to understand something before we start. What are ADM and SUC?

Mr. Jones, ADM is Administration and SUC is State Use Contracts.

Mr. Jones, if you will notice all the billings are of course for the state use program. The expenses are all right, administrative costs here is the cost to administer those contracts. On the bottom of the second page is the projected cost again, those are projections that are based on the 4.1%.

Mr. Greene, let me just mention something to you, this conference call cost you all don't pay for that do you because I pay for that? I sign at my office every couple of week, I sign for this conference. Just go back and check that please.

Mr. Jones, we have other conference calls, CNA Committee, etc.

Mr. Greene, ok please continue.....

Mr. Jones, the one item is why it is still a draft is the Merchant Service Fees. Those are the fees for those p-cards and we have been told that everybody is going to start using those on more items so that number we may have to adjust. That was based upon our estimate at that point-in-time.

Mr. Greene, you based that off transactions times 2%?

Mr. Jones, yes - right at 3% is what number we are using.

Mr. Greene, then it comes in at 11.5?

Mr. Jones, that is what it was budgeted last year and we increased it because more and more people are using those p-cards.

Mr. Greene, what does that \$14,480.00 represent?

Mr. Jones, that represents what we have to pay once withdrawn from our bank accounts to cover those p-card transactions. That number should increase quite a bit but hopefully with the way the contracts are being set up we will be able to cover that.

Mr. Jones, if anyone has any other questions.

Ms. Bates, I guess when I look at it I am always looking at increases. I see that Committee/Board Meetings increased by \$4,825.00. Can you tell me why that would be?

Ms. Smith, with what I have seen is that more people are attending the Committee and Board meetings and that causes it to be more expensive. Although I believe it is positive that more people are attending.

Ms. Bates, that is a WVARF Board meeting, is that what you are talking about. You are going up for WVARF Board meeting from \$575.00 to \$4,825.00? What kind of board meetings are we talking about and what expenses are paid.

Mr. Monterosso, we have committee meetings like the Rehab Committee, the Standardization Committee, the Government Relations Committee, Marketing Committee, our Board meetings, Finance Committees, trainings for CRPs for instance for this year when we had the Affordable Act Care training that was over \$3,000.00 alone.

Ms. Bates, is there not a training line item?

Mr. Monterosso, yes there is a training line item, but that is primarily for staff and professional development.

Ms. Bates, I'm trying to understand as we have been through this before that is why it was so low because you have to be really careful about paying expenses for people to attend meetings if it is not strictly related to state use. What I am asking is, it went from \$575.00 to \$4,825.00 and that is a huge increase, so what expenses are being paid is my question, is it for travel, for WVARF board members, what expenses are included in that increase?

Mr. Monterosso, the 2013 budget was developed with basically no trainings, no staff development in there at all. With the increase in training and bringing in speakers, matter-of-fact, we are looking at working with National seminars on business planning, development, strategic planning, marketing, outreach and those kinds of things for the state use program.

Ms. Bates, it should not be under Board and Committee Meetings if it is training. If you really are doing training and I just need to know what expenses are being paid by the \$5,000.00. Is it for speakers; is it for travel for board members? That is what I need to know. When you say Committee and Board meetings that to me means WVARF Board meetings.

Mr. Monterosso, the WVARF Board meetings come out of membership account.

Ms. Bates, that is exactly right, very good. I think what you will probably find, in terms of representation of what it is actually being spent for, I would think you would want to put it under training versus Committee and Board meetings and then it will be fine, ok?

Mr. Monterosso, ok

Ms. Bates, then I also have a question on the vehicle lease, I am just curious as to why that is higher?

Mr. Greene, from \$3,500.00 to \$10,000?

Mr. Monterosso, right now Brenda I sometimes use my own vehicle, I have 140,000 miles on that vehicle and what I get a month includes gas and everything else so that would include a company vehicle as well as Mark and Gary our current business liaisons are more engaged and right now with leases we are restricted to mileage. I don't want to limit their involvement and especially when we are looking at the assessments and all that so there might be some penalties for mileage and some of those things. It doesn't mean we are going to go up to that amount, we just put a cushion, just expecting that and then as we go through, it's a budget; there are obviously line item changes.

Ms. Bates, I also see a decrease in travel of quite a bit more so that is great. That helps a lot because in the past sometimes we increased the travel too so I understand.

Ms. Bates, one more question then I will leave everybody alone. Under professional fees it went down and I understand audit, I understand legal, technical, what are the accounting fees for Aaron?

Mr. Monterosso, professional fee went down because we were using Suttle & Stalnaker.

Ms. Bates, but we still have an amount in there, correct \$4,000.00?

Mr. Monterosso, that includes audits, ATS, Terragon and those types of things.

Ms. Bates, I'm just curious because I knew we were not using Suttle & Stalnaker anymore and there is a fee for accounting.

Mr. Jones, more than likely something is going to come up that we are going to require some professional assistance with.

Ms. Bates, I really don't have any more questions, my only issue would be to move that information as it relates to the Board and Committee meetings to the actual amount spent and reflect that more accurately that the other amount issued for training.

Mr. Sullivan, Aaron how did you come up with the Workers Comp, how it decreased more than \$3,928.00?

Mr. Jones, we pay Workers Comp to an Insurance Company now. That may be a final number that needs to be adjusted. I don't think we got the renewal until July so we will know the exact number we should be putting in there.

Mr. Greene, they were talking about Worker's Comp, how it decreased by \$3,928.00 in that respect. What is the Staff/Board Development? How did that go from \$475.00 to \$15,000.00?

Mr. Jones, that was the training that she was talking about.

Ms. Bates, that will go up to \$20,000.00 and that is what I'm trying to figure out Cedric. These big increases, I don't mind if it is going to be whatever, I just want to point that out.

Mr. Greene, that is a huge increase.

Mr. Monterosso, there is greater participation, greater need. One of the things that we thought about doing and I had the conversation with LuAnn, if DRS does the training for us instead of DRS paying we could offset some of their cost so it is just putting a cushion in there that way we are not limiting ourselves. If we are under budget and we have to make line adjustments each quarter and that gives us a cushion. For instance, one speaker for the annual state use budget, typically we get a speaker. I want to see if Booth Goodwin is free. We are going to try to get the Governor and that would be free. In the event we would want to get a national recognized individual who can speak to the heart of disabilities we just want to leave some cushion and that doesn't mean we are going to spend that money.

Ms. Bates, just for your sake you need a detail on what the plan is to spend that. My question was and I don't think we answered it, are we paying travel for board members to attend, are we paying travel, are we paying for motel rooms, what is included in that. That was my question; if it is then we need to revisit it if we are paying travel and that kind of expenses. DRS sometimes does that and we can do that with no problem. If we commit to training then we are going to do what we have done in the past and provide the training. I guess that is my question, are these expenses for people to come or is it for the expenses of the training which would be for speakers and the room?

Mr. Monterosso, it is the expenses of the training. If it is 100% state use which this budget is 100% state use, if there is travel involved then some travel would be absorbed. Matter-of-fact, I don't think there is any CRP that has turned in travel expenses. If there is a board meeting for instance the last one was at Black Water Falls, there were hotel expenses, accommodations and that came out of membership that doesn't come out of state use. We talk about state use but it is a membership function.

Ms. Bates, as long as we have it covered that is all I need to know, I'm good.

Mr. Greene, I will say this as an overview. Trainings and conferences, they are always very carefully scrutinized. If someone peels away from the onion you two need to be prepared to answer for it because you guys are going to be doing the reimbursement. If it doesn't look right and it doesn't smell right as it relates to the state use monies, I highly encourage you to take a very fine look at it because with the state looking at being in the hole some will say up to \$300M dollars that we need to come up with as a state. When they start tightening the belts on the state agencies this is going to feel it as well. Conferences and committees and trainings and all that stuff, I scrutinize them because you always have to be careful of where you go conference and no one could even remotely attach it to your vacation. You just need to stay above approach. If people approach saying that probably was not the best thing for you to do. Even though you don't break the law, perception is reality. If people perceive that we are using state use money or taxpayer's money for personal gain, that is a problem. We just need to make sure, I am right along with Brenda on that, when it comes to conferences, reimbursements, etc., I tell you what, just try to get travel through me. I pay for very little.

Mr. Monterosso, again the conferences come out of membership. All the conference meetings are held at State Parks. The one conference that would be probably paid out of state use is and I spoke with Purchasing, is to have a conference for the state use program with the local spending units, purchasing individuals and Dave Tincher and Mike Sheets are in favor of that. That was part of why we put a little cushion in there to be able to either piggyback on the state Purchasing conference or have our own with the local, have it more regionalized spending unit. Again, no monies from the state use is spent on board functions, they are spent on state use functions. If we had a conference it would be 100% for state use with the state spending unit.

Ms. Bates, like I said, please don't misinterpret my tone or anything like that, it is just my job to ask questions and anytime I get a budget I look at it really closely. You are both new at it so that you can get a flavor for what we are looking at and what we are looking for. As long as you have all that covered and you feel confident that it would stand up against that scrutiny I'm just trying to help you see what a line item looks like to me when it is raised like that at the Committee meetings and on the training.

Mr. Monterosso, and that is how it was taken. I think your role as the Committee members is to keep us out of hot water as much as it is our role to keep ourselves out of hot water. Our goal is the same to improve the state use program and to be able to stand behind the work that we do and have an end result that we are proud of. Matter-of-fact, another one of the costs and that is, we are looking at developing a video for state use exclusively and some of that cost would come in there. We would attach to the website and it would be something that would outline the impact that the state use program has on the state, who keeps West Virginia's stream accesses clean, who keeps our rest areas clean, the impact that agencies like Goodwill and all the CRPs have on an individual and may even go a little deeper and talk with the family. Go to sustainable Williamson, go to the Web and search Sustainable Williamson, it is a very well put together documentary, a film maker who happens to be local and actually has the passion of working with individuals with disabilities. When I met with him a few weeks ago I said, here is my vision and here is what I want to do and he is excited. We would be able to have a nice video that speaks to the heart of the importance of the state use program, the impact that we have on individuals with disabilities, the work that is being done and not only from social perspective but from an economic perspective of the tax revenue and the tax base that we contribute to West Virginia from that perspective. That is some of the costs in there. I appreciate your concern Brenda; I welcome your thoughts and your guidance at any time. We want to stay out of hot water as much as you want us to stay out of hot water.

Mr. Sullivan, on the Worker's Comp and Unemployment a total of almost \$24,000 difference, how do you come by that, that you can reduce that much that quick?

Mr. Jones, I think the budget was originally figured based upon a percentage, like unemployment 3.7% where now we are actually paying an insurance company and we are not paying based on gross payroll. We are in a round-about way with that but that is something I will check on for you.

Mr. Greene, is it with Brickstreet?

Mr. Monterosso, no it is Hartford.

Mr. Sullivan, you changed from Brickstreet to Hartford?

Mr. Monterosso, I don't know if we ever had Brickstreet.

Mr. Sullivan, yes you had Brickstreet at one time.

Mr. Monterosso, ever since I have been here we have had Hartford.

Mr. Greene, if you could find that out see how you are saving almost \$20,000 that would be appreciated.

Mr. Monterosso, one other thing with Ramsey with Worker's Comp claim and I shared this with the CRPs on unemployment insurance. Most is nonprofits and they contribute to the unemployment and they pay for the entire state pool as opposed to if you go through the insurance company you can pay specifically for the number of employees you have and that saves you thousands of dollars. We do that right now, we pay unemployment as that person is unemployed we just pay that. If you have consistency and continuity and your retention is high your premiums are hardly anything. That is how we can save some money there.

Mr. Greene, the budget went up \$84,000?

Mr. Monterosso, yes and we are projecting more sales and increases in state use.

Ms. Bates, but it is balanced, correct?

Mr. Jones, correct

Ms. Bates, so it is a balanced budget based on additional revenue, correct?

Mr. Monterosso, correct

Mr. Jones, \$112.350 additional revenue.

Mr. Sullivan, we were talking about the training, is that to take care of the money we had in the 4.1%, is that the \$48,000?

Mr. Monterosso, no we have already covered that \$48,000 extra. We dealt with that and how it was spent.



Mr. Jones, the \$52,000 was the additional that we had and I have already detailed that and you should have something in your email.

Mr. Greene, it is a balanced budget and you have new revenue of \$112.350 and that covers that.

**MOTION #5**

**Mr. Sullivan, if no other questions or objections, I move the 2014 budget be approved with the corrections recommended. Ms. Smith seconded. Motion passed.**

Ms. Bates, with the corrections recommended, right?

Mr. Greene, correct with the corrections recommended.

Ms. Bates, I'm fine.

Mr. Greene, so Aaron you will take the "draft" out?

Mr. Greene, right, it is the 2014 budget.

Mr. Jones, our current financial report if you had a chance to look at it, if you turn to the Statement of Activities - Budget versus Actual. The last time we reported we were a little more than \$100,000 difference. What I look at when I look at this, these expenses that are listed here on the bottom which are other expenses, that is what we actually paid the CRPs. The numbers that are in the top of there where it says Revenue – Services products that should be 4.1% greater if the billings have all taken place. The last time we met there was a little larger difference and I thought there was something that hasn't been billed so we dug in and we found \$50,000 + worth of stream access billings that were missed. When we got those billed our total amount between what the revenues were and what these last other incoming/other expenses were, the difference now is 4.092%. That is pretty close to the 4.1% that we are striving for. Instead of a larger number we ended up, \$5,146.38 negative change in the net assets as of the end of the year. Again, the budget number here is for the full year so you can look across and see where we were up, where we were down. Other expenses came in at 108.98% regular expenses and the other expenses came in at 99.66%. Our revenues, that number kind of scared me, it came in at 100.00%. We were off \$427.00. Again, I have tried to analyze and look at it and see what made up those differences but that is where we are on the final. These are the numbers that I will be sending to the Auditor for the year end. On that audit I have probably 85% of everything pulled together and reconciled and it is just getting some invoices and spot check and hopefully we will have the audit complete sometime in October is what I am shooting for.

Mr. Greene, 2013 – how much money is due us so to speak from the state agencies? What is actually still outstanding? That would change these numbers had they paid by June 30<sup>th</sup>?

Mr. Jones, nothing would have changed these numbers because they are in here, they are billed in here. They are in the revenue side. I did a quick check on the receivables and we are showing \$126,692.93 due over 90 days and \$36,000 of that has been paid. That left \$90,000. Again, that one invoice of \$30,000 I received an email yesterday and they are trying to get that funded.

Mr. Greene, who is that?

Mr. Jones, that is DHHR, Diamond Building.

Mr. Greene, are they disputing it?

Mr. Jones, no they did not dispute it they are just trying to come up with the funds because it is almost a year old. On the over 60 days, I looked it up and there is \$134,932.35 listed here and \$118,410.35 of that has already been paid, so there is only \$16,522, that is in that 61-90 days.

Mr. Greene, about the DHHR Diamond Building, what does this \$30,000 represent?

Mr. Jones, it was janitorial.

Mr. Greene, was it for last month, did they pay last month?

Mr. Jones, they paid everything and they even paid another one that was real old as that was actually \$63,000 and they paid July but this is June of their last fiscal year, I don't know if that is their issue or not.

Mr. Greene, people are paying current bills but not paying the old ones. Anything past 90 days people aren't going to pay. My point is, have we sent some type of certified letter or something to the Cabinet Secretary or Chief Financial Officer at DHHR?

Mr. Jones, no I haven't.

Mr. Greene, that is what I would recommend to you. Whoever you are interactive with; somebody is not sharing that up the chain of command, \$30,000 - I don't believe they are going to pay. They are paying current stuff and they are not paying old stuff.

Mr. Sullivan, there is a reason for it somewhere.

Mr. Jones, they paid the one, they had two and they paid the one.

Mr. Greene, I would send them a certified letter.

Ms. Bates, we do have a process and we have talked about this before when it is over 90 days. There is a process in place where the Committee does a letter and it is signed by the Chairperson on behalf of the Committee, write to the agency. This should be automatic, when you get to 90 days, you have to do due diligence for trying to collect. Once it starts hitting 60 then I think we are supposed to hit it hard and try to collect then at 90 days it is supposed to come from the Chairperson of the Committee on behalf of the Committee.

Mr. Greene, Aaron if you would do a factual piece to it in a paragraph and email to me, I will put it on letterhead and do the letter to Secretary Bowling.

Mr. Jones, this is the reply I got on the last email. It says: thanks Aaron we are working on finding some funds that are not expired to pay this. I apologize for the delay and I hope to have all funds identified with the budget office at the end of the week and payment to the state Auditor's for the completion by the end of the week as well. I received that letter yesterday.

Mr. Greene, I am going to send the Secretary a letter. The CFO needs to know they owe you \$30,000 and I will send a letter. Do I have a motion to do that?

**MOTION #6**

**Mr. Sullivan, I make a motion for Mr. Greene to send a letter to Secretary Bowling advising her that they owe us about \$30,000. Ms. Bates seconded. Motion passed.**

Mr. Greene, ok that is letter #2 that is going out this week.

Mr. Jones, I am currently detailing all the other accounts, anything that is over 90 days. Some of them look like there may have been some adjustments, part or the majority was paid. Those are items that are currently getting detailed. None of them are to that magnitude of \$30,000. Our GSD has some mats and looks like for some reason, \$14,000 for mats and some of those are 3/31/13 and one of them goes back to last year. We are tracking all those. Here is a group that is the same amount \$136.27 and the contract was for a whole lot more than that. Looks like there was an adjustment made but it just hasn't been cleared. These are the things that we are doing detail on right now to figure out all the differences.

Mr. Greene, the only one I will mention is Lakin/Corrections for \$15,000 over 90 days, just put that one on your radar screen.

Mr. Jones, that is all I have unless someone would have any questions.

**MOTION #7**

**Mr. Sullivan, I make a motion to accept the June 30<sup>th</sup> Financial Report. Ms. Bates seconded. Motion passed.**

**NEW BUSINESS**

None

**OLD BUSINESS:**

Carol if you would put in old business the draft for the annual report – it is going to be approved in September.

Mr. Greene, last month we were at PACE Enterprises, Greg Morris invited us up and we had a very nice meeting up there and a nice time. They fed us and we certainly appreciate his willingness to allow us to walk through his organization and really appreciate his hospitality. Cheri it may not be a bad idea for you to invite us over to Tennessee Avenue as well, even though we used to have our meetings there we never really watched the operation. You may want to talk to your people and see if that is something you all would like to do. We certainly enjoyed ourselves up at PACE. They fed us, you just have to figure out if there is value in that for you or not. No pressure there.

Mr. Sullivan, it was a nice day, time well spent.

Mr. Greene, we really appreciated their hospitality and anytime that we can get out once a quarter and maybe visit a CRP, I think that is a good thing because it grounds you and gives you a perspective of why you are doing what you are doing. Don't ever forget that when you don't pay a \$30,000 bill that there are real people behind that and it causes the CRP owner to make a decision on whether or not to keep five people or whatever.

Mr. Sullivan, yes we used to do that, go around to various agencies/CRPs.

Ms. Bever, Brenda has an operation here locally too that has state use work and it is very worthwhile.

## **NEW BUSINESS:**

### **MOTION #8**

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

## **PUBLIC COMMENT:**

Brenda Hellwig, I'm just very glad to be here, thank you very much.

Mr. Greene, this allows people who run the CRPs to come and watch what we do and to show there is transparency and that we don't do any hookups here, everything is above board and honest and forthright and we try to put out the best product that we can possibly put out. It keeps us honest and doing what we are supposed to be doing. We appreciate your interest in coming and interact with us and keeping us straight.

Mr. Greene, there is a Purchasing conference. They have gone through 55 speakers/items on their agenda down to 22. Therefore, they are not going to have the state use like they had previously. I don't know exactly why that is. I'm not going to this conference for five days because I just don't think I will do that.

Mr. Sullivan, where is it going to be held?

Mr. Greene, one will be held at the Stonewall Resort and one at Pipestem. Bill if you would want to go and get a table up there by all means you may but it is certainly up to you. I have the information from Samantha Knapp who handles that and I will forward to you. I don't know the dates but I will forward that email to you.

Mr. Greene, Brenda I need for you to call me off line, any time after 2:00 p.m.

Ms. Bates, I will do that. Also, I would like to say I love the way the budget is done. It is easy for me to understand. It was clear and not mottled with a bunch of stuff.

**MOTION #9:**

**Mr. Sullivan, if no other business to come before the board, I make a motion to adjourn.**

**COMMITTEE MEETING DATES FOR 2013**

September 18, 2013

October 16, 2013

November 20, 2013

December 18, 2013