

Meeting Minutes

October 20, 2005

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

Chairperson, Donna Lipscomb called the meeting to order and welcomed the guest, Lou Ann Summers with Rehabilitation Services. The meeting was held at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

ATTENDANCE:

Committee: Donna Lipscomb; Brenda Morford; Pete Cuffaro; John Liller; Everette Sullivan; Jan Smith, and Evan Williams (Executive Secretary)

WVARF Staff: Glenn McEndree; Chris Miller; Craig Greening, and Ken Kennedy

APPROVAL OF THE MINUTES:

Ms. Lipscomb advised the committee that there were no minutes available today for approval due to technical difficulties with the recording system. She apologized for the inconvenience and advised that they would be available for the next meeting.

COMMITTEE CHAIR:

Chairperson Lipscomb stated that she received a request from the Autism Services Center and they want to be a participant in the program. She requested the CNA staff to process the request.

The committee previously established the third Thursday of each month as the meeting dates. However, in order to correspond with Mr. Cuffaro's other board commitment a couple of the meeting dates have changed. The list of dates is contained in your packets. Ms. Lipscomb requested that the dates be noted you each member's calendar.

Chairperson Lipscomb advised the Committee that Mr. McEndree has requested the Governor do a letter to be included in the annual report. The Governor's office forwarded the proposed letter to her in order to have the Committee address the issue. Ms. Lipscomb read the letter to the Committee. She indicated that this proposed letter was more about WVARF and not about the program. She would recommend if the Committee wants to request the Governor to provide a letter it should be revised.

Ms. Lipscomb inquired as to whether there had ever had a letter from the Governor in the annual report because she had never seen one since serving on the Committee. No letter has been included in the past. Mr. Greening advised the Committee that the law requires that the committee submit an annual report to the Governor and the two legislative heads. The law also requires the CNA to submit a report to the Director of DRS. Mr. McEndree passed out the annual report they prepared for approval and review. Ms. Lipscomb questioned why this year's report did not include letters from the Chairman and Executive Director as it has in the past. Mr. Liller asked when the annual reports became one report as it appears to be fuzzing the lines again by combining them. Mr. Greening stated they had been combined for approximately 15 years. Mr. Liller discussed his concerns regarding not having two separate reports. He understands both the board and the committee have to file a report. He recommended the reports be kept separate.

Ms. Morford stated that the reason for one report is because it has become a marketing tool. She stated that she does not think this is the right place for that. Mr. Liller stated that as a business man he would like to see data in the annual report and not pictures. Ms. Morford believes that some pictures in the report would be good. Mr. Liller believes the annual report should not be a marketing tool.

Mr. Cuffaro suggested the report be a summary of what we the Committee is doing and what everybody does. Needs to be simple and easy for the Governor to see and read to better understand. Mr. Cuffaro would also like to see some pictures. Chairperson Lipscomb stated the Committee needs to consider the costs of preparing a marketing tool before the Committee spends time and money with printing/mailing/developing this marketing tool, they need to make sure funds are going to be available to do this. She does not believe a letter from the Governor to himself in the annual report is appropriate. However, if a marketing tool pamphlet is established then a letter from the Governor would be great.

REPORT OF THE EXECUTIVE SECRETARY:

\$4,845.86 fiscal year 2006
378.95 is outstanding travel expense
\$4,466.91 balance

Ms. Morford requested Mr. Williams to bring a line item report for the next meeting.

REPORT OF THE CENTRAL NON PROFIT AGENCY:

Mr. McEndree advised the Committee that Terradon is developing software for us to manage the State Use Program. They will have a presentation for the Committee in the future.

Mr. McEndree indicated that they have HIPAA addendum forms. WVARF signed a form with the State and the Division of Purchasing sent a letter saying we needed to have that with the CRP's. Mr. Williams advised that HIPAA is an agreement approved by the Attorney General's Office that says neither party will release or discuss any health information. This is to prohibit the release of any patient health information.

Mr. McEndree advised there were further issues with delivery of water. The staff met with Green Acres and we are going to have a meeting in November to discuss the water situation and to streamline. This situation has improved, but they still need to get the kinks worked out.

Ms. Lipscomb requested a follow up report regarding the WVARF loans made for the water coolers. Mr. Miller advised the Committee that it was a no interest loans, designed to be short term. Prestera will pay back over 11 months. Prestera was for water coolers and Nicholas County was for labelers for water bottles. Mr. Miller did not have information about the amount of the loans but believes they were in the range of \$2,000 each. Totals about \$4,500. They were paid from the cash on hand. Mr. Liller questioned if Prestera took the loan why did the loan go to Green Acres? Are they loaned or leased to the company? Mr. Miller advised that Prestera will be charging rental. Mr. Liller questioned whether Prestera's contract was amended to provide coolers? If not, it should be. If they are providing coolers they are doing something outside their contract. Mr. Liller expressed his concerns about the lines have been fuzzy and bigger lines are becoming fuzzy. If Prestera does not have that in their contract, Mr. Liller suggested they amend their contract and put that in their contract because they are getting money to do that. This opens the door for questions.

Mr. Kennedy advised the Committee that the contracts with the State are with WVARF the CNA. We have subcontracted through Green Acres. The agreement is between Green Acres and sheltered workshop in Nicholas County to work with Green Acres to do the delivery. Mr. Liller stated that fuzzies the lines even more. You have a CRP that you have a contract with who is subtracting other things and you are loaning money to those subcontractors. He further stated that you do not loan money to a subcontractor.

Ms. Lipscomb expressed concerns that that the loan contract did not come before the Committee. Mr. Williams asked who made the decision to do a non-interest loan because Prestera is a pretty well financed organization. Mr. McEndree stated that they made that decision internally. Mr. Liller is concerned about the way we got to this point. It just opens a Pandora's Box. He stated the Committee needs to know the details. Mr. Cuffaro indicated that somebody should talk to them to advise they have to be responsible. Mr. Lillers requested definite lines be drawn so the Committee can hold somebody responsible. It would be tough if there were a problem with Nicholas County or Prestera for WVARF to hold them responsible because they don't have a contract with you. Mr. Liller suggested they get a contract with them for delivery service.

FINANCIAL REPORT:

**WEST VIRGINIA ASSOCIATION OF
REHABILITATION FACILITIES**

LAST SIX MONTHS' GROSS REVENUES

Mar '05	Apr '05	May '05	Jun '05	Jul '05	Aug '05	FY 2005 Total	FY 2004 Total *
\$866,143	\$949,777	\$877,257	\$917,699	\$866,759	\$890,879	\$10,465,483	\$9,733,958

AGED RECEIVABLES AS OF SEP. 30, 2005

Current	31 -60	61-90	90+ Days	Total
\$1,289,809	\$35,097	\$306,716	\$55,565	\$1,687,187
		\$362,281		
76.45%	2.08%	18.18%	3.29%	100.00%
		21.47%		

Comparative Figures (Acc. Rec Over 60):

	61 +	% of Total
09/30/04	\$412,646	26.59%
09/30/03	\$172,608	15.04%

Chairperson Lipscomb requested that a report be done for the Committee monthly that shows the revenue that comes in and the expenditures. Mr. Miller stated they could generate the report. Mr. Liller stated that a balance sheet would be beneficial to the Committee.

CONTRACT COMPLAINTS:

COMPLAINTS SINCE LAST REPORT TO THE COMMITTEE ON 9/22/05

	Verbal/Email	Formal
Bottled Water (Invoicing)	2	
Janitorial	2	

WVARF04 COMPLAINT LOG SUMMARY

FY 2006

	Verbal/Email	Formal
1st Quarter (7/1/05 to 9/30/05)	Janitorial – 11 Bottled Water – 3	0
2nd Quarter (10/1/05 to 12/3/05)		
3rd Quarter (1/1/06 to 3/31/06)		
4th Quarter (4/1/06 to 6/30/06)		
Annual Summary	14	0

FORMAL COMPLAINTS

None

VERBAL/EMAIL COMPLAINTS

Janitorial	11
Bottled Water	3

CONTRACT PRESENTATION:

Contract Fair Market Price Determinations

The following contracts are presented to the Committee for the Purchase of Commodities and Services from the Handicapped for their approval on October 20, 2005.

DEVELOPED PROJECTS – None

NEW PROJECTS

DOE	Industrial Home for Youth	Salem	\$60,002.40	

RENEWED PROJECTS:

Bureau of Senior Citizens	Janitorial	Charleston	\$3,413.52	GI – Kanawha Valley
Insurance Commission	Janitorial	Charleston	N/A at press time	GI – Kanawha Valley
DOH	LIM Dispatchers	Clarksburg	\$53,759.28	Harrison County
DOH	LIM Dispatchers	Statewide	N/A at press time	Harrison Co, SW Resources, Integrated Resources, & Pretera
Medical Examiner	Janitorial	619 Virginia West, Charleston	\$7,893.57	GI – Kanawha Valley
Diamond Bldg	Janitorial	Charleston	\$300,906.96	GI – Kanawha Valley

Mr. Greening advised that Committee that they got in inquiry from Industrial Home for Youth, Dept of Education, Salem Facility run by Division of Juvenile services which is a lock down jail for juveniles. They wanted another company immediately. Mr. Greening talked to three local CRP’s in Harrison County and they all said NO on this project. Therefore, WVARF passed on the project.

Mr. Cuffaro questioned the number of employees at the Diamond Building. Mr. Greening explained that they we don’t count employees, we count hours. We determine how many people it takes to clean a building. We don’t tell a CRP how to do their work or their people with disabilities. We leave that up to the supervisor. Clarified fees on the report.

Ms. Lipscomb questioned whether all workers were receiving a least minimum wage. Mr. Greening stated that from the reviews that we have done, they haven’t found any violations at this point that we are concerned about. Mr. Cuffaro stated that twenty years ago there was a state and federal minimum wage and wondered if it was all federal now. Mr. Greening advised that they were not. If they were doing a federal contract, service work, we would be subject to the service contract act, which means that the Department of Labor issues a minimum wage document. There is no state issued wage documentation. Janitorial is not under that documentation. The fair market price rules suggest each CRP would do a prevailing wage survey (wage for community).

MOTION #1 Mr. Liller moved to approve the report the contracts. Seconded by Ms. Smith.

CONTRACT PRESENTATION RENEWAL:

Mr. Kennedy provided the Committee with a copy of the catalog of products offered in WVARF04 and TEMP04.

OLD BUSINESS: NONE

NEW BUSINESS:

Ms. Lipscomb provided the Committee with the official WVARF budget that was approved at the association quarterly meeting last Friday. The budget will be addressed at next month's meeting.

In the past there has been an issue concerning the same eight people that work here doing CNA work and also work for the association. We need to look at the audit to see the percentage of each staff member salary. The association said those percentages were not correct. This committee asked the staff to do a desk review for the whole quarter.

Chairperson Lipscomb requested a printout/ledger, broken down by accounts. A printout of their ledger was provided but the accounts are intermingled and there is no way to track where the money is going.

Mr. Liller stated that they should be able to generalize those transactions. All your attorney fees should be under one classification.

Mr. Liller indicated that if the Committee starts getting the expense sheets monthly they can track the expenditures.

Mr. Liller questioned who is doing the bartering, WVARF or the CNA? Who is receiving the benefits from the trade transaction, WVARF or CNA bartering for this vehicle? Ms. Lipscomb indicated that it was paid for out of state use obviously which was for CNA but it's the property of the association.

Mr. John discussed when the conflict started. He stated that the CRP's hire the staff of WVARF and that's where this all began, it not only started with personnel, then the funds started intermingling. Two accounts should be set up, one for WVARF and one for the agency. If WVARF is going to act as the agency then all the funds need to flow through them if you are going to be CNA. Mr. Liller pointed out that the staff is being hired by the people you are giving contracts to. The perception in his book is that you are all in bed with each other and under the blanket, and what is going on I don't know. That's where we are here - who owns the car, who owns the website, etc. You are using the assoc when you want to use it and using WVARF when you want to use it.

Ms. Smith agreed that this committee needs to come in and clean it up. She stated that she wrote a letter to the committee and made a suggestion that the governing board of the CRP with the recommendation by the Governor's Committee be changed. That it no longer be just CRP executive sit on the board, but also that the board be changed and divided to an association and a CNA. Ms. Smith state that the staff does an excellent job

and are doing what their boss wants them to do. They are on this side reporting to the CRP Executive Committee, and on this side reporting to the Governor's Committee. The Governor's Committee can clear this up and make it a lot easier in the long run. We need to sit down and come up with recommendation and say this is how it going to be done. Mr. Liller stated that it could be done but it would take a while to accomplish.

Mr. Greening stated that he believes there are enough rules to hold CNA's accountable. There will have to be some clarifications. I believe there are enough rules that this committee should say you meet these rules, or you go away. Chairperson Lipscomb stated that this is one of the problems because no one follows the rules.

Chairperson Lipscomb feels for this Committee's own benefit they should have someone come in and do an audit to see what we have. I think we need to start with a clean slate. Someone that is qualified. The Committee has to be able to track the funds. Mr. Cuffaro stated that he believes there is going to have to be a split. He feels there should be two separate entities.

Chairperson Lipscomb asked what happened to the carry over balance from last year. Mr. McEndree stated there was no carry over balance, they lost money. Mr. Liller asked who lost money, WVARF or the CNA? Mr. McEndree stated that the organization lost money.

Mr. Liller discussed Mr. Ferguson's letter which asked two questions, "Is WVARF a nonprofit corporation or a trade association, can they be both, how can they be separated? WVARF's answer to Mr. Ferguson was that WVARF is an approved nonprofit agency. They compared themselves to the WV Association of Realtors, WV Association of Museums, and the WV Association of CPA's. Mr. Liller stated that this association is not any of those. This association exists for the pure gathering of power for that group of individuals. This association has dues.

Ms. Smith explained that WVARF was started as that kind of organization. It was started by CRP Director's that wanted to bring together the powers. The problems started when state use began, and in essence WVARF became two entities operating under one umbrella.

Ms. Morford indicated that the CRP Directors profit and benefit from the decisions that are made. You don't want to have a perception that things are wrong. Not good business.

John Liller is concerned that the assigning of contracts is not as blind as WVARF are using it for as a blanket. He further stated that he have never seen the blind bid contract being selected by the people, that are hired by the people that the contract is coming in for so it can't be blind.

Brenda, the association as an organization, if the 3.75% belongs to the association there will be a lot more money to use. She indicated it was hard for her to vote on any budget until I know who the 3.75% belongs to. When you are doing a separate budget, does the 3.75% go under the organization or state use? Ms. Lipscomb stated that clearly there is a difference in the dues money and the 3.75% anyway. The statute says this committee has over-site which would include how those funds are spent. Ms. Lipscomb stated that she does not know who has ownership and the only thing she has is a letter from a previous cabinet secretary saying that it is public funds.

Ms. Smith believes that the CNA should not be governed by the association because they have to do what their bosses say. This needs to be cleared up to make their life easier.

Mr. Liller asked if dues money automatically go into this account or whether they not have an account there. Do they act as a separate entity? Mr. McEndree stated they do not have an account there, they are all together. He stated that if you are an association, you are an association. One of your responsibilities may be to hire. That separates the \$41,000 you have coming in from the CRP's. I don't know how that could be any simpler.

Mr. Liller suggested the budget be based on what you have coming in contractually. The excess money that you have supposedly needs to be carried over; you put in a trust, so we have control over it so we can define whose is whose. Chairperson Lipscomb advised the new committee members that this was taken care of last year but was not followed.

MOTION#2 Mr. Cuffaro made a motion to get a financial review of the accounts and ledger and Mr. Liller seconded. Motion passed.

Mr. Liller suggested that the Committee have a meeting to discuss how we need to approach this ongoing problem. Chairperson Lipscomb agreed to check with Ethics to see if we need to go into Executive Session to do this. Mr. Liller stated there are a lot of issues here and he is very uncomfortable putting my name under any of them.

MOTION#3 Mr. Liller made a motion to adjourn and Ms. Morford seconded. Motion passed.