

# MEETING MINUTES

October 15, 2010

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

The meeting was called to order by WVARF Executive Director, Greg Raber at 9:00 a.m. October 15, 2010 at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

### ATTENDANCE:

Committee: Cedric Greene (Chairperson); Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; Jan Lilly-Stewart; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: Greg Raber, Chris Miller, Sherry Briggs, Leona Huffmann

Guests: Bob Johnson, Nicholas County Workshop  
Liz Sampson, Clay County Unlimited

Mr. Mason attended by conference call.

Committee members absent: Everette Sullivan, Jan Smith, Jan Lilly-Stewart.

### EXECUTIVE SECRETARY REPORT:

\$5,055.00 – Annual Allocation  
456.88 – Disbursement  
41.30 - Transfer Out  
\$4,556.82 – Balance Remaining

***NOTE: This report was not given as we did not have our regular scheduled meeting due to not having a forum.***

### EXECUTIVE DIRECTOR'S REPORT:

Mr. Raber introduced Cedric Greene as the new Committee Chair for the Governor's Committee for the Purchase of Commodities and Services from the Handicapped. We will not be having our regular meeting today as we do not have a forum. Our previous Chairperson Penney Hall has accepted a position with DHHR.

Mr. Greene, I look forward to working with you guys. The services you provide are important and the taxpayers are happy and content with what we do. I plan to meet with Greg Raber and Brenda Bates later today.

Ms. Bates, the one thing we have done this month is deal with the water contract. We have that contract through December and I feel we should get this issue resolved by December. This is the only thing we need to be concerned about. Bob Johnson with Nicholas County Workshop and Green Acres are working together to get this situation resolved. We need a report by Green Acres to see how to get that resolved by December.

Mr. Raber, Emma Sue is stepping down at Green Acres and Debbie Birthisel will be taking her place. They are working to get everything paid down to the state. The only thing they don't have is a back-up water bottle washer. Sometimes, DOH uses those empty bottles for their benefit.

Ms. Bates, could they put a sticker on those bottles so DOH won't use them? Say "Water Use Only".

Mr. Greene, 1) education at the agency level, and 2) education at the personnel level. Perhaps using a Fluorescent Green Sticker saying "Water Consumption Only" would help.

The new Executive Director with Green Acres, Debbie Birthisel arrives.

Ms. Birthisel, our Attorney has been working to resolve the issues.

Ms. Bates, Green Acres owes CPRB some back money which is their retirement.

Ms. Birthisel, we have been trying to clear up some old debt which is close to \$600,000. CPRB has been working with us to get that debt down.

Mr. Greene, this is economics. Do you have two accounts?

Ms. Birthisel, ResCare is providing client services and we provide support.

Mr. Greene, you are paying in the rears?

Ms. Birthisel, we have been paying this for the last six months.

Mr. Greene, I will get with CPRB. We need to find out what is keeping us from being successful. We need to get to the bottom of it. We will work it out. I will talk to them. What would happen if the state wouldn't do this?

Ms. Birthisel, it would cripple us.

Mr. Raber, it would cripple two CRP's. Bob Johnson with Nicholas County Workshop would be affected also. Water is 25% of his budget.

Mr. Greene, what is your back-up plan?

Mr. Raber, if it were removed, it would be removed from the contract.

Mr. Greene, if it went away, Dave Tincher feels like each agency could purchase from other sources.

Ms. Sampson, water could be purchased from another plant and WVARF needs to check and recommend that we look at that within the CRP's.

Mr. Greene, Debbie if you would do a point paper and Elizabeth also do a point paper then we can see what action could be taken. If this comes off contract it won't come back on, so if you guys will get that paperwork done that will help me. I am by the book. I do the right thing for the right reasons. If this is not best for the taxpayers or the majority, it won't happen. How will that affect the end result? I will speak to CPRB and get the facts, put everything out on the table and try to work it out.

Ms. Bates, my concern is that WVARF '04 has been extended for quite some time. Mr. Tincher is not going to continue to do this. With Debbie and Elizabeth doing the point paper that would be a good thing but how long is Mr. Tincher going to allow this to be extended. I wouldn't want to wait until we get to December and not have anything as we are now in mid October.

Mr. Greene: I think as long as he knows we are trying to do the right thing he is ok.

Mr. Raber, part of Green Acres plan is entering into a business agreement with Nicholas County. Taking over the business operations from Green Acres until this is completely paid off.

Mr. Greene, how does this work? Would operate the same way but who would manage it?

Mr. Raber, the water would come from Green Acres but Bob would be the vendor.

Ms. Bates, it is what it is. The best answer is for the issue to be resolved. As long as everybody knows and is ok with that. My concern would be to circumvent the system to get things done.

Mr. Greene, Debbie if you would do a point paper and WVARF comes up with an option, as long as everyone knows what we are doing.

Ms. Bates, it does look like Green Acres is pulling things together. One of the issues through the years has been, WVARF does the billing for all or 90% of the contracts, but Green Acres does their own billing for the water and they are working with Bob to do all the billing. It does look like Green Acres is pulling things together.

Mr. Mason, I like the plan-of-correction. We have had a history of problems with Green Acres. Ms. Birthisel, you have a tiger on your hands; however, \$600,000 is a huge ticket and I don't see that happening before December. It would be huge for the Auditor to approve the contract. My concern is that we would act to secure a contract with somebody else in order to continue to provide the services. We have had problems.

Ms. Birthisel, I have been there 30 years and I am aware of the problems you speak of.

Mr. Mason, sometimes we have to be frank. I believe we need to secure the services that Green Acres has been providing if the Auditor's office somehow they would agree because of loss of jobs, etc. that we should continue to allow Green Acres to attempt to make things right.

Mr. Raber, I think we need to line up someone to take their place if Green Acres does not come through.

Mr. Greene, maybe I will get pulled into a clear reality when I speak to CRPB. It is Code we have to abide by. I feel we have to give Ms. Debbie an opportunity to make this successful, but we need a plan B.

Ms. Bates, I think we need to know how long we can estimate this. If December is drop dead issue, then ok, if it is June it would take longer than that to get that going with someone else. I need to know a drop dead date. We have been dealing with issues with Green Acres for eight years and not just the water.

Ms. Birthisel, we have 15 employees.

Mr. Mason, realistically, how would you plan to pay the \$600,000 by December? If not by December then by what timeline would you predict?

Ms. Birthisel, we are having an audit. We don't have a lot of money but we have been aggressively putting in everything we can. Escrow is \$250,000 and out of that we only want to put in \$100,000 - \$150,000 on the retirement.

Mr. Mason, are there other vendors in this situation?

Mr. Raber, none that I know of.

Ms. Bates, I think this circumstance is unusual. Other vendors don't pay into the retirement board. The way we found out, the Auditor's office when you do apply to be a vendor they check that and that is how they found out. Green Acres actually do their own billing. Some CRP's do the billing and WVARF is the vendor of record.

Mr. Raber, WVARF does an audit and CRP's do audits.

Mr. Miller, I don't know if CRP's do independent audits. I think the CRP's have someone looking at their books.

Ms. Mason, I think it would be appropriate to have an independent auditor, I would feel a lot better for each CRP. I do feel certain that there are more out there. I think we need some type of independent review to see that we don't get into this again.

Ms. Bates, WVARF does review as state use provider. We also provide that information through DRS. Some of the smaller CRP's can't afford an independent audit. We all have a standards manual and we are helping CRP's come up to standard. So, I think it is going to be better, get better to implement standards. By the next meeting I will have my information ready and Greg can have his information to ensure that this doesn't happen again.

Ms. Mason, how did this happen?

Ms. Bates, part of the problems within the last eight years, we knew they had financial problems. We were aware that there were financial problems, but we knew there was some stability. I had a manager go in and work with them some time ago. We have known for some time that Green Acres has had some financial problems.

Mr. Mason, has Green Acres had an independent audit?

Ms. Birthisel, no, but I am going to have that done.

Mr. Mason, escrow of \$250,000 and debt of \$600,000, it is a concern. It is going to take time to do the audit and time for the Auditor. I think we should have someone else lined up.

Mr. Greene, I think we need a plan B and C. Ms. Debbie, I think you know what you need to do. You need to do an audit and then you can say on this date, this and this .....and Greg, if your group would come up with some options that would be good.

Ms. Bates, could you give me an organizational chart that is updated? Do we have an agenda?

Mr. Greene, this 1-800 telephone number - that has got to change. Sometime ago another agency had to pay thousands of dollars. They put 1-800 number and code and their bill was like thousands of dollars. Looks like Penney does this so I will take that for action.

Mr. Greene, standards would be for everyone to be here. I think it is important to be here, look people in the eye and share good news and bad news.

Ms. Bates, isn't it time for us to set our meeting date and time for next year?

Mr. Raber, yes

Mr. Mason, I would like to have an item on the agenda for next year, requiring audit of independent vendors which is practical.

Mr. Greene, I think that is a good idea, it is real money.

Mr. Mason, I don't want to get into this situation again.

Mr. Greene, integrity of the Board. When people aren't talking about you, you must be doing good things or haven't gotten caught, etc. That is why it is important for everyone to be at the meetings to work for a common goal for people with disabilities. We just have to work together as a team, get engaged and be practical and be the best that we can be. A customer ain't always right but they are not always wrong.

Ms. Bates, the Committee is very fortunate that we have Cedric and he works well with Mr. Tincher as well as the Cabinet Secretary. I have worked with him on the Randolph Sheppard Program.

Mr. Mason, this ads value from the business sense and Greg does a great job too. CRP's are pulling together. I am hoping Green Acres can pull this out.

Ms. Bates, I will get the requirements together and I will make sure we have that criteria. They have to be a DRS vendor as well.

Mr. Raber, I am thankful that Cedric has been appointed as well. He has used the word "integrity" and I think we have an all-star person on our hands.

Ms. Greene, Ms. Mason you are very valuable on this Committee and we appreciate you and I am looking forward to meeting you in person.

Ms. Bates, when everyone gets together it really works well.

Mr. Mason, Ms. Birthisel, I am sorry and I don't want you to take this personally. However, we look at it, there is a job to do and sometimes it is no fun. There are things we need to keep an eye on. I'm sorry if I deflated or made you feel bad.

Mr. Greene, I will work on the 1-800 number. I need the organization chart, etc. We will work as a team to get the issues done.

Committee adjourned

Since we do not have a forum, no action was taken on the items listed below.

CONTRACT PRESENTATIONS

CONTRACT COMPLAINTS

FINANCIAL REPORT

OLD BUSINESS

PUBLIC COMMENTS

NEW BUSINESS

This report has not changed from July, 2010

WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES

LAST SIX MONTHS' GROSS REVENUES

| Feb '10     | Mar '10     | Apr '10     | May '10     | Jun '10     | Jul '10     | FY 2010<br>Year-to-<br>date* | FY 2009<br>Total * |
|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------|--------------------|
| \$1,024,591 | \$1,057,704 | \$1,197,277 | \$1,110,531 | \$1,123,435 | \$1,089,296 | \$12,713,066                 | \$12,012.757       |

AGED RECEIVABLES AS OF JULY 31, 2010

| Current        | 31 -60       | 61-90        | 90+ Days     | Total       |
|----------------|--------------|--------------|--------------|-------------|
| \$1,087,641.57 | \$482,124.10 | \$213,098.43 | \$158,539.74 | \$1,941,404 |
|                |              |              | \$371,638    |             |
| 56.02%         | 24.83%       | 10.98%       | 8.17%        | 100.00%     |
|                |              |              | 20.58%       |             |

| Comparative Figures (Acc. Rec. Over 60): |           |               |
|--|-----------|---------------|
|  | 61 +      | %<br>of Total |
| 7/31/09                                  | \$52,829  | 4.74%         |
| 7/31/08                                  | \$156,059 | 10.80%        |

Advanced Guaranteed Payments made to CRPs:

Jul '09 – Jun  
'10 \$2,462,345

\* - Fiscal Year runs from July 1 - June 30