

**MEETING MINUTES**

April 3, 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. April 3, 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  
Cyndi Auth  
Mark Jackson  
Gary Wolfe

Absent: Jan Smith attended by Conference Call

**COMMITTEE CHAIR REPORT:**

Mr. Greene, do we have a motion for approval of the minutes from our February 20<sup>th</sup> meeting?

**MOTION #1**

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

**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)  
(50.00) - A/P Current Expenses (Act. 130)  
761.57 - Disbursement  
276.86 - Transfer Out  
\$3,966.57 - Balance Remaining

Mr. Greene, and that is until June, correct?

Mr. Arrick, yes

Mr. Green, we have money.....

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

Mr. Monterosso, I apologize for having to ask the Committee to reschedule our previously scheduled meeting for March 20<sup>th</sup> until today, April 3<sup>rd</sup> and I appreciate Cedric's graciousness in doing that. It has been a tough month and a half. We had continual server issues, the server has been literally crashed, and at times we had no access to any computer information. QuickBooks was a pain to say the least to get converted. The good news is that it is converted and we are actually all the way through January. We have a few invoices that need to be paid but primarily we are caught up with the payments that were lagging because of not having access to QuickBook files and computers. Now we have Advanced Technology Services (ATS) and we have Paradon who is host to our emails because the last two (2) days our emails have not been functioning. It has been a trying month and a half. I am not a technological guy and if I'm frustrated, I can only imagine the people who rely on a computer day in and day out. Joyce has had a lot of stress and it has put a lot of stress on Cyndi when we are trying to do these contracts. It has just been a tough grind.

Cyndi, if you could have Aaron come down so I can introduce him. I am happy to say that I did hire a new Financial Manager and he has a wealth of experience, well over 20 years + 30 years primarily with two different employers. He is reliable and has the right temperament, wealth of accounting experience with major businesses. He has already proven to be a great asset. He is going to be wonderful, not only providing some assistance for Joyce but more importantly the oversight of the whole process, the efficiencies, making sure that things are correct, timely, accurate and so the timeline with Aaron is that right now, the beauty of it is, you don't have to train him, he needs just training on the verbiage, the language, the codes and the rules and all that. Everyone, I introduce to you Aaron Jones, and Aaron as we talked yesterday, this is the Governor's Committee and they are responsible for oversight of WVARF as it pertains to the State Use Program. I was just giving them a little history and if you would want to introduce yourself and tell them a little about yourself.

Mr. Jones, I am Aaron Jones and I live out at Goldtown. I have been in accounting for close to 40 years and I started right out of high school and worked my way through college and I have worked with several companies over the past years and I'm looking forward to being a help to WVARF. Also, I am a minister of a church in Goldtown. I have been married for a long time and we have four (4) boys. It is a pleasure to meet each one of you.

Mr. Sullivan, how old are your boys Aaron?

Mr. Jones, my oldest son is 33, youngest one is 18 and he is going to WVU right now. The oldest one is an architect, the next one is a land man for an oil and gas company, the 3<sup>rd</sup> one is a chemical psychologist and my youngest one is studying to be a chemical engineer.

Mr. Monterosso, you have some brains in the family.

Mr. Sullivan, what church do you minister to?

Mr. Jones, it is Goldtown Community Church.

Mr. Greene, welcome aboard, we are glad to have you. We have been asking for you for over two years, close to three years for someone to come in, a CPA that we feel comfortable with the finances so that we can feel comfortable when we approve minutes. We really don't understand the financials; I think it puts all of us in harms way, so it is good to have someone who can understand it. We don't need a 20 minute class on it at every board meeting but we need to have confidence in you because you are the one signing for it. Welcome and we are excited to have you on board. I think you are going to be real busy, so we look forward to it. This is definitely a good thing.

Mr. Sullivan, will you attend our meetings?

Mr. Monterosso, if you want him to. Actually, I said the most involvement he would have is with the CNA Committee because of the budget and financials. The Governor's Committee if you want him for specific budget questions, he can attend but I didn't know it there was a great need for him to be at all the Governor's Committee meetings.

Mr. Green, I would say for the next six (6) months he should be here.

Ms. Bates, there is a budget to be approved here very soon and the Governor's Committee has to do that also. It is usually in April.

Mr. Monterosso, we will be working on that here real quick.

Mr. Greene, it would be nice to have him here for the next six months so we can get to know him and he can get to know us. To know what we are looking for.

Mr. Monterosso, then Aaron move on over here beside me.

Mr. Greene, we know that today is your first day, so we will go easy on you.

Mr. Monterosso, at the last meeting I talked about the conversion of the 4.1% and how we are going to do that and that we are taking a hard look at the contracts. I encourage you to go upstairs after this meeting and you will understand why we are meeting down here. Mark, Cyndi and Gary have worked endlessly and we have looked at every single contract to make sure that they are right and accurate. All of us are new staff and we ask are there any discrepancies, are we missing anything because when you look at the audit it says one thing and when you look at the contracts that tells you something totally different. So we are taking the painstaking effort that will pay off so the state agencies will know when we are done with this that the cost is correct, the scope-of-work is accurate, we are putting in line audits that have not been done for a while which is not only a requirement but it is the right thing to do. It is necessary to make sure that the CRPs are being reimbursed for work they are actually doing. That the CRPs are not doing more work than they should because there is a lot of them out there that work beyond the scope-of-work, making sure that the state agencies are getting the quality and performance that they desire and deserve, making sure that the cost is correct. So, we are looking at all facets of the contract so we are simultaneously putting those contracts together and making notes where the discrepancies are. We are outlying geographically delivery of those contracts in the hands of the state agency purchasing people. At the same time the CRPs will receive that, between now and the 12<sup>th</sup>, Mark and Gary are reaching out to each of the CRPs.

Cindy has done a lot of work one-on-one with the CRPs to go through those individual contracts and looking at when was the last time these contracts were revised? Is the cost the same, is the equipment appropriate, everything with a fine tooth comb. We are also scheduling those audits to take place, and I don't like to use the word audit, it is an assessment to assess where we are at mutually from the CRPs and the state agency perspective in looking for continuous opportunities to grow. This has been a pain in the neck. We are trying to get through this but we need to make sure we are meticulous in this effort so we can get to where we need to be and take this to the level where this association and the state use program deserves.

We have had some great meetings with 3M to look at being a distribution site and eliminating the middle man and actually having buying power that would require having distribution sites strategically placed throughout the state.

We are looking at working with the flagship hotel and creating an avenue for training/work experiences for individuals with disabilities to do the housekeeping/grounds maintenance. I have a meeting next week with this particular hotel and I don't want to divulge it right now because he asked to keep this under the radar and he is all excited about it and the goal is to help with the curriculum for training. That will be a wonderful avenue for DRS and that referral will put CRPs in a different position, especially if they happen to be a sheltered workshop to really create some training and job growth opportunities and direct placement which DRS is after.

We are looking at partnering with some community colleges to help with that curriculum design. The goal and commitment from this 3M is that we will start with that flagship hotel and he will sell it to corporate and hopefully it can take off and really help. I have a meeting next week with Cabela's to potentially package some of their stuff. So we are doing and exploring a lot of things. But we want to put the cart after the horse, not before the horse. The horse right now is making sure these contracts are correct, accurate, the state agencies are satisfied and CRPs are satisfied, then we can go to the next level. We reinstated the rehab committee, we reinstated the standardization committee to look at a standardized approach across the state to make sure we are utilizing within the scope of equipment, the right equipment so quality improves, the policies improve, and efficiencies improve. My goal is to increase the number of contracts and when you increase the number of contracts then you increase the number of individuals with disabilities who have an opportunity. That also helps our revenue. Aaron and I met yesterday to talk about some of the strategies and where we are going. It has been a horrendous month and a half.

I got an email from Jack Holcomb, he is the Executive Director with Precision Services in Gassaway and he shared this with me. The top page is actually pretty neat, in that, the Governor replied. It is a letter from the Governor (copy handed out to all present). The 2<sup>nd</sup> page is from Marian Parker to Jack Holcomb, Precision Services. The bottom line, she stopped at I-79 rest area and it is a designated routine stop for her because she said she could always count on it being clean and I can sympathize with her as I left my wallet at a rest area years ago and I wish Jack Holcomb's crew was at that rest area. Her checkbook, money and everything was mailed back to her as well as all contents and she talks about the integrity and honesty of the individuals that are working there. She copied the Governor and you can't buy that kind of marketing/exposure to what we do. That was great.

Mr. Sullivan, I left my billfold at a rest stop near Morgantown and they called me and I went back and got it and everything was inside, nothing missing. They are good people.

Mr. Greene, I am so broke, you would have to put money in it. It is great the kind of people we are attracting that do a great job of keeping everything clean and also the integrity, you can't teach that, when you hire them they either have it or they don't have it.

Mr. Sullivan, they do a really good job on the rest areas. I stop occasionally and look around.

Mr. Monterosso, we talked about the Affordable Health Care Act (AHCA) and the unknowns, the uncertainties and the apprehensiveness of the CRPs and small businesses across the nation with the impact and how it is going to impact small business and particularly in our business, the CRPs. I mentioned Purchasing and we have extended the invitation to them and we are bringing in an expert. He has wrote on policy, health care, he has books, he has a lot of connections, he is out of D.C. and he is not on the front line but he is in the mix of all that. I am bringing him in on the 18<sup>th</sup> and Cedric, Brenda and anyone here you are welcome to attend. It is going to be at Oglebay Park during our board meeting in the afternoon. If you would like to come you are more than welcome, we will make accommodations for you and put you up and make sure there is food for you. In leading up to that we have done throughout the state rounds of focus groups and we put together a questionnaire, we are putting together questions and concerns and I will share some of that with you. It will go out to the CRPs. We have a few CRPs that are not able to make the focus group so we are sending that out electronic so we can give J. D. Kleinke who is coming on April 18<sup>th</sup>. I also made it clear during the focus group that this training is not a training to learn about the Affordable Health Care Act (AHCA), it is training on strategic approach based on the demographics based on, are you more than 50 employees or less than 50 employees. Are you full time equivalent versus full time employment? What is West Virginia doing on the exchange, as a border state here is what that means? It is that kind of meeting. I want to put together this packet for J.D. and we will talk at the beginning of next week to look at those questions. He will be there from about 1:30 p.m. - 4:30 p.m. We will leave an hour at the backend for any concerns/questions. It is a good opportunity for us to look at the AHCA. We met with Don and Mike a couple of weeks ago and we asked Purchasing how are you guys dealing with it. Don, did you find out anything?

Don, it hasn't happened yet.

Mr. Monterosso, we are ahead of the curve. There is discussion now on the news that the AHCA has been postponed, potentially postponed for another year which first thought it sounds good but then it puts you in limbo for another year not knowing what is going to happen and we are going to be doing these six month contracts and I told someone the other day we will be at it for six months and another six months we will do the renewals.

Mr. Greene, that is April 18<sup>th</sup> and it starts at 1:30 p.m.

Mr. Monterosso, the board meeting is at 9:00 a.m. and the AHCA is going to be at 1:30 p.m.

Ms. Auth, can I ask one thing?

One of the things that we did with the focus group was ask some very targeted questions to the individual CRPs. What we are able to ascertain at this point is which CRPs, what each organization obligations are under the law, so we can look at how that would impact any contracts that they are awarded. Questions or issues for this group that I would project would be when you look at the matrix and you have some that have higher obligations than others and the price structure of those types of situations. I think there is a lot of variables there to look at and how that impacts the work of this Committee.

Ms. Bates, I think one of the questions and I keep bringing this up and it is like a broken record but the Medicare/Medicaid buy-in program and how that should be a question to him. That will affect our CRPs as much as anything does.

Ms. Auth, I think we have about five (5) questions that ask that in a variety of different ways.

Ms. Bates, that is great.

Mr. Monterosso, and during the conversation with J. D. the Medicaid buy-in was part of it.

Ms. Bates, because all states don't have it, but we are fortunate enough to have it.

Mr. Monterosso, let me apologize up front for this, because I am still trying to wrap my head around how we add something to the statewide list. Back before I started, probably April or May during those minutes it was approved that the 4x10 and 4x20 mats were approved to add that to the statewide list. Between the Governor's Committee and Purchasing the train kind of stopped. We had to figure out why it didn't get added to the statewide list, it was approved and had to write a letter and did the costing and all of that to Purchasing to Connie Oswald. Now I am here because Lottery and a lot of state agencies have a need for the 3x10 mats. This is new for me as to how we do this. I just create a letter saying; please add the 3x10 to the statewide commodities contract same terms and conditions as the rate that is calculated at, nothing changes, just adding the 3x10 mats. I know what the rules say but I just don't know what or how to.

Ms. Bates, I think the biggest consideration with that and I think I brought this up the last time, is Purchasing has to review that and look at the impact it has on small businesses. They look at that and determine whether it is appropriate or not. The Committee can approve it but Purchasing has the last say on all of it in terms of the bottom line – their job is to look at the impact on small business. I think sometimes we think that wouldn't be any different because it is 3x10 but if the need is great and somebody has it then it would cause a huge impact on small business and they have to consider that before they add that to the state contract. When we talked about it the last time I'm pretty sure I brought that up because like I said, we can approve it but it is always contingent upon the impact on small business. I don't know what Purchasing uses to look at that but I know that has always been the way it has been in the past.

Mr. Greene, who is requesting this?

Mr. Monterosso, I am requesting it on behalf of Michael Hagg, Hancock County Workshop who has the statewide contract. They have the 4x10's and that has been approved and the 4x20's and 3x12's and they have all been approved and on the statewide contract. The 3x10's they are saying should have always been approved but I didn't see any minutes on that. I want to go on the record to at least ask for that and then if Purchasing needs to do their thing....

Mr. Arrick, you will have to send that to Purchasing like Brenda said and they will respond back to you.

Mr. Monterosso, I have everything to do that – to send to Purchasing, I just need approval.

Ms. Bates, I don't remember if you were on the Committee then or not but Mike was saying, they have specific things Purchasing does that they need from you and I don't know what that is. It may be a costing thing or.....

Mr. Greene, have they ever come from the Director before? Don't they typically come from the CRP?

Ms. Bates, no it goes through WVARF, it would go through the CNA. First to the Committee for approval, then to Purchasing with the approval of the Committee for consideration.

Ms. Auth, so then my questions would be based on the length of time since that was done do you need to again discuss that to determine if you feel that price is appropriate before we send it?

Mr. Greene, I don't think we ever discussed ...

Ms. Auth, I thought you said last April.

Mr. Monterosso, that is when the minutes were approved.

Ms. Bates, I think the pricing – Purchasing is going to go over that with a fine tooth comb and they are going to look at the Fair Market Price (FMP) based upon the information that they have, we will just have to trust that you looked at that.

Mr. Monterosso, it is the same per sq. ft. 31 cents, it is just adding the size. All the terms, conditions, pricing stays the same.

## **MOTION #2**

**Ms. Bates, I move to approve. Mr. Sullivan seconded. Motion passed.**

Mr. Monterosso, next week after the meeting when it comes to pricing, Michael and I want to look at a way, in that commodity, the prices goes up and down crazy. Sometimes it is in the favor of the CRP and the state is paying way too much but that is the approved rate, sometimes CRPs are losing a lot of money. We want to say, how can we even that out so you guys aren't paying too much, so we are considering price.

Ms. Bates, I think the FMP you have to consider supply and demand. Sometimes you get a better rate just because the demand is greater; it is just the way it works. I think a lot of those prices some of it may be because it hasn't been revisited for a while but a lot of it is fair market value and the price is not always fair.

## **CONTRACT PRESENTATIONS:**

Ms. Auth, we have four (4) issues we have to talk about today.

- 1) **NEW CONTRACT:** Camp Dawson, New Fitness Facility in Kingwood is being provided by Preston County Workshop. They just finished completion of a new Gymnasium and fitness center. They did the building audit on February 27<sup>th</sup>. Building measures 29,752 sq. ft. It has a lot of unique flooring types and a lot of internal glass. The way they have asked us to work with this was to look at spot cleaning on a daily basis with a thorough cleaning one (1) day a week. The contract is set to begin April 15<sup>th</sup> through the end of June, 2013. We factored a monthly rate of \$4,519.42.

Ms. Bates, both the CRP and the customer are fine with that?

Ms. Auth, yes, it has been submitted to both of them.

**MOTION #3**

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

- 2) **CHANGE ORDER:** New Creek, Department of Highways. They have added a trailer at their site with additional 703 sq. ft. for a total of the contract would be 1,458 sq. ft. overall. The building audit was conducted on February 28<sup>th</sup>. The CRP wasn't there but they are providing services there so they are aware of the facility and have seen it. The scope-of-work calls for basic janitorial service once per week. The addition results in less than one (1) additional hour for a total of two (2) hours per week. The monthly rate is \$333.23. CRP is Developmental Center and Workshop.

Mr. Greene, is everybody in agreement with that?

Ms. Auth, we are waiting for a response back from Jim Hash. We have sent that to him a while ago and they had called to check on that to confirm but they do want to start there.

Ms. Bates, who is Jim Hash?

Mr. Greene, he is with DOH, he is the Procurement guy. Is there a motion to approve?

**MOTION #4**

**Mr. Sullivan, I make a motion to approve. Ms. Smith seconded. Motion passed.**

- 3) **RENEWAL:** Lake Stephens in Raleigh County. Raleigh County Parks and Recreation has requested a renewal of the seasonal maintenance contract for Lake Stephens. They have had this in the past. It is seven hours a day, seven days a week from April – October. There are partial months in April and October. They did ask to increase the rate of pay from \$8.00 to \$8.25 and that was a request by Parks and Recreation and that was to extend an extra week. The contract actually started April 8<sup>th</sup> – October 25, 2013. The monthly rate is \$2,368.94. Both Lillian James (who has had that contract) and Parks and Recreation have seen the contract and it has actually been approved by the Raleigh County Commission that they would accept at that price.

Mr. Greene, so they asked for the pay increase for the employees?

Ms. Auth, yes

Mr. Greene, that is a first.

Ms. Auth, when we sent the contract to the County Commission when it came back, because I had asked Mark and I asked Mark did it actually go through and he said they actually asked us to raise that up to 25 cents.



Ms. Sullivan, does the Committee have any control over the wages other than prevailing rate?

Mr. Greene, I wouldn't think so. I think we can make recommendations.

Mr. Sullivan, why don't we establish a prevailing rate here as a Committee, could we do that?

Mr. Greene, I think we would have to get smart about it. What are your thoughts Brenda?

Ms. Bates, the feds go by the prevailing rate and we go by that on some things but I don't know what the rules are on that.

Mr. Greene, real estate, construction, those are prevailing wages.

Ms. Smith, I think it would be a wonderful idea if we could but I think we would price ourselves out of the market. I am amazed at how high the prevailing wage is in certain areas like Martinsburg. It would be great to pay our employees that but I would be surprised if the state would go along with that.

Mr. Greene, may be if not a prevailing wage, perhaps just a wage.

Ms. Smith, I think that would be easier to sell and to convince, we may be able to use the prevailing wage to say we are aware that this is not something to say the state would not be able to support but we are trying to bring it more in line with it. I would think that might work out better.

Ms. Bates, Jan I think you are right, you know what happens in the FMP, particularly in janitorial you have to look at what small business would pay – would offer to do it for and they don't have to pay that. I think that is where the FMP comes in then you are out – above the market price in the state of West Virginia. One of the things I thought would be good to look at as a Committee is if someone has tenure and I have heard you fight for that at times Jan.

Ms. Smith, that is something we did build into the Fairmont State Contract. We have people who are leads; supervisors so that we could with people with more experience could be paid a higher wage. That is something we could look at with all the contracts. For people who have supervisory duties or a higher level of experience.

Ms. Bates, I think maybe within the scope-of-work somehow those things could be addressed and have a wage based upon experience and that sort of thing may be a way to start to get increases for people with experience I think the state may be more open to that.

Mr. Greene, I agree with Everette, if we don't set a standard, who is going to fight for those employees if we don't fight for them?

Ms. Smith, I agree I just think we have to do it in a way like – why would you not, you pay your experienced employees at a higher level and that's a way for us to move.

Ms. Bates, we don't want to use that argument because we don't want to even touch what the state employees are paid versus what they are not because there are a lot of inequities there. It is not about that, I think it is more about the value a person with experience brings to the contract that you could really sell that to the state.

Mr. Monterosso, you focus on the quality of service. The advantage of that, they are not an unknown entity. The folks that I speak to across the state from various state agencies they never say Johnny is a bum, they say you know what, we like Johnny, he does a good job. For the most part they are looking out for the interest of that individual. That is the advantage we have. I have had this conversation with Michael Sheets and Dave Tincher before Don joined us and Michael makes it very clear, I don't care if you pay your people \$50.00 an hour, we don't put a cap on what you pay people but we are going to look at the bottom line and is it fair market value and if it is not, then it is not. What I want to prevent is that everyone across the board regardless of experience or length of employment, talent level across the board increase and we price ourselves out and we need to look at rewarding those people that show up every day that have the experience that are liable, that do the quality of work and create a better quality of life for them. There are no restrictions on that and that is something that we should be exploring during this renewal process.

Mr. Greene, Bill if you and Cyndi, if you guys could educate us on what the employees are making now, just give us a range or average, if you could give us some type of idea of what they are making then we could use that as a basis for moving forward and look at going down that road because if eight years ago gas was \$1.79 a gallon and here we are eight years later. You are always going to have the argument from the state employees that their pay hasn't changed either. But you have to remove that argument because I am not trying to make differences in people but the reality is, there is a difference. If I don't like what I am being paid, I simply go to work somewhere else. But this particular group of people may not have that resource. They may be boxed into a corner, for whatever reason they are boxed into a corner. Not because we don't like it doesn't mean the box is going to change. They are boxed into a corner at \$7.25 and they have been at that \$7.25 for eight years or ten years or maybe longer, whatever. It doesn't change that gas is steadily going up, bread, milk, water and everything. There is nothing that is not being touched by some kind of surplus or fee or something, everything is being touched. Nothing is the same price as it was eight years ago. I think we have a basis of saying, the employees make \$7.45 as an average and do we think that is reasonable? We could base that off of what we pay our janitorial staff at the Capitol, we could very easily do that. Maybe \$8.25 an hour and grant it their benefits, but we are not going to focus on benefits just focus on hourly wage. What does a person bring home? If you guys could give us a range, say \$7.45 an hour typically an average of three years, this is what they make. I think people look for pay increases after three years and on. Stay away from the state thing because you will just lose. Everybody is sensitive, and even state employees are boxed into a corner and can't get out. Let's focus in on just trying to take care of what we can. If it is .50 cents an hour or even a quarter an hour but we have to do something. This is the first time I have heard of anyone authorizing a pay increase.

Ms. Auth, we have another one coming with renewals.

Mr. Sullivan, benefits are great but you can't buy anything with benefits, but they are great when you need them.

Mr. Greene, in eight years I haven't used one medical benefit.

Mr. Sullivan, you have been blessed.

Mr. Greene, I have been very blessed. But it doesn't mean anything, they don't compensate your pay for it, they don't send you a check for it at the end of the year, saying: hey Cedric we appreciate you not getting heart surgery at \$100,000, here is \$50,000. Nobody cares about benefits until you need them.

#### **4) COMMODITIES/SERVICES CHANGE ORDER: Low Impact Monitoring**

Ms. Auth, the last thing and we are looking at is conditional approval. We were approached by the Division of Highway last week they want to make a change for the Low Impact Monitoring which is on the commodities contract as well. What they want to do is include an additional part-time position to assume some scheduling duties that were previously assumed by the Division of Highways (DOH). They have submitted a scope-of-work and some basic reimbursement details. We have been working with Wayne Kissinger there but we also talked with Jim Hash about that. I talked to Connie Oswald with Purchasing to look at the best approach to make this change and she indicated that we could do a change order and she recommended we do a change order to include the cost of this additional position. It is actually Harrison County Workshop as I put it wrong on the handout to you. But the Harrison County Sheltered Workshop currently does have a part time person that helps with administrative parts of that and they would be adding a second position. It will be five days a week, six hours a day at \$10.00 an hour. They said they would approve that + whatever equipment supplies were needed and benefits and overhead for that position. I do have a cost proposal for you. We have sent this to Wayne Kessinger with DOH and Janice Sleight had just sent us an equipment list. It has to go through several channels rather than just Wayne Kessinger, but they did put their initial scope-of-work proposal from DOH listing all the types of things that they would cover. They put together the wage data on here for the monthly rate as well as the total for equipment supplies. One of the things is to get the person set up in an office so my assumption would be although like we are doing the change order now and then we will be presenting that later. Some of the equipment and supplies like with furniture is to get it up and running but wouldn't be something that would be a long term thing so I will work with how that gets worded in the contract.

Ms. Bates, are they using this in place of an FTE?

Ms. Auth, well the reasoning for their request and I don't have that email here, was really looking at communication and streamlining some things with that was the reasoning they put in their request. I didn't have enough information in the email to determine that.

Mr. Greene, explain this to me again. What are we doing?

Ms. Auth, what it is, we get calls for an oversized load and then there are escorts. We provide the escort service that goes out and does that. What they are wanting is someone who would arrange cost but also there is a lot they do with permits, so it is actually the permits that would be working with the CRPs because Harrison County does some of the administration part with that but there are CRPs across the state that actually do the work, so it would be calling the other CRPs to issue the permits and monitor that the permits are being utilized in the right time period.

Ms. Bates, Harrison County would hire an individual with a disability? I don't want to get into what we ran into in the past where they utilized this as an FTE to go outside. I just don't want to get into that.

Mr. Monterosso, I talked to Janice and Mr. Oliveria and I can't say for sure but he did not give me any intention that it would be an existing employee to get added hours, it would be a separate individual with a disability to be doing that. I will make sure but I did not get any impression that it would be anyone other than an additional individual.

Ms. Auth, they currently have someone there but again I would have to look into the scope more but I know Mark Jackson and Bill have worked on that more than I.

Mr. Greene, have these come to us before like this? This kind of thing. This seems very odd, it is different.

Ms. Auth, it is a different kind of thing/service I think.

Mr. Greene, I have never seen something like this before.

Ms. Bates, does Harrison County have the contract now?

Ms. Auth, yes

Mr. Greene, so what do they want to hire someone else?

Mr. Monterosso, no, DOH has had that position. They want the CRP to provide that position of that scheduler.

Ms. Auth, it is more streamlining, instead of someone calling DOH, and DOH calling ----- the reasoning was more to streamline the process and have them call directly to the low impact office that is in Harrison County.

Mr. Monterosso, rather than calling DOH, and DOH calling low impact, they are trying to eliminate and have a point A to point B rather than to a point A or B or C or D.

Ms. Auth, we thought it was a little bit unusual that's why we called Connie Oswald to say we have had the request now we would like to accommodate the state, what guidance do you recommend and then she had indicated since there is already a position on there, they are looking to expand and add a second one is really to look at it as a change order and submit the cost.

Mr. Greene, I can tell you this seems very odd. I have never seen anything like this before. I don't care in regards to I think it is great that it is going to provide someone an opportunity to work, I am not saying that, I am just concerned about all this equipment, office supplies, furniture, is it just me or does that seem odd to everybody?

Mr. Monterosso, this is not your usual position that we do. To me it is a positive thing, now we are expanding our breath of scope outside of janitorial and ground maintenance and bottling water, it is really looking at expanding what we do. This is a unique position that would require a man at a desk, if you go to some of these CRPs they don't have an excess of desks around or chairs or pull a computer out of a closet, so that is part of it. This is a new position.

Ms. Smith, the department has requested this, correct? And, they are aware of all of this.

Mr. Monterosso, they would need a computer and if you need a computer, I am assuming you would need a desk.

Ms. Bates, we need to look at this a little closer. I think the thing of it is you can't go around the state process to contract for an individual; there are just issues with that. The only way we do that is through the temp contract. I just don't know.

Mr. Greene, this is what I will say. I'll say that this is perfectly fine because when we look at a computer it is no different than a mop. It is a tool to do their job. That is the way I am going to look at it. The only thing that I would recommend to you and I want to make sure this is on the record is that everybody is crystal clear that this person is not a custodian of the state. We need to be very clear about that because this looks like a state employee to me and I just want to make sure not only the individual understands they are not a state employee and that is the problem that Brenda has with it and it is certainly the problem I have with it, is when you are gone and he is gone and Everette is gone and I'm gone and Nick the new guy shows up it will seem like this is an employee of the state because it kind of looks like it but I just want to be on the record that we are not approving that at all because that will circumvent the FTE process through the state.

Mr. Monterosso, I would say that we are mimicking that state employee; here is the scope, the tools, the resources this job requires and the individual that does it. We are going to mirror that but it is going to be at the workshop. They are not going to be a state employee and when I talk to Jim Hash and talk again to Mr. Oliverio at the Harrison County workshop they were stoked, they didn't say they are forcing us.....

Mr. Greene, they are not going to, they are not going to make that argument. That is the argument that we make is to make sure...

Ms. Auth, is there more information that we need to get from DOH. My impression is that this isn't something they have someone assigned to. The calls come in and they go through their office and they feel like it is more streamlined to have it go through there.

Ms. Bates, my question is that it goes on the commodities contract and it is a position. Normally on the commodities contract there are no positions, it is so many mops, can you help me here?

Mr. Arrick, from what I gather, you are right.

Ms. Auth, we wondered that too but it is already on there a line item for the other person.

Mr. Monterosso, why is low impact monitoring a commodity? It is more of a service.

Ms. Smith, I caught that low impact monitoring train, they were a temp position, are they not?

Ms. Bates, I can't believe this is a commodity guys. Commodities are mops and mats. This just doesn't look right to me, I'm sorry. Until we get this figured out I can't say it is ok. I am going to look at Purchasing to say I need feedback on this. I'm not saying it is a good thing, here is what it looks like, and looks like you are sliding in a position into a commodities contract with mops.

Ms. Smith, isn't there already a first dispatcher position there?

Ms. Auth, yes and it is a flat rate for the year.

Ms. Smith, how were they hired and what was this done under. I thought this was a Temp position. Seems like we are asking for a second position with one that has already been approved.

Ms. Bates, I just think we need to find that out. I get concerned about it being called a commodity when it is a position – it is a service.

Mr. Monterosso, and we had that same discussion and I said why in the world is this a commodity, doesn't make any sense. But somewhere along the line, I'm not going to say you guys approved it, but some committee had to approve it.

Ms. Smith, we've been around before the monitoring so many of us had to have been involved. To me that is what we need to find out, how was the first one approved?

Ms. Bates, I'm fine with it if Purchasing agrees, that is my biggest thing. I just want to meet the definition under the commodities contract, because you don't want to get into a position where you are putting things under where it appears and I know you are not, but you don't want to get into a position where you are putting a position in a commodity because then it is not what it was intended for and then it can cause problems for the whole contract, jeopardize that is the right word. Let's just figure it out and I'm fine with it, I just want to figure out where Purchasing, how that happened and once we get a response on that then I am fine to vote on it. I just want to make sure we are right.

Mr. Arrick, I can't answer how that happened so I will have to check it out and get back.

Ms. Bates, that is why I like feedback on that.

Mr. Greene, when are they trying to do this by?

Ms. Auth, everybody always wants things yesterday; I know that we are meeting soon, the 17<sup>th</sup> I believe. We should get the answers to those questions.

Ms. Bates, if you would let us know and if somehow it got on there and Purchasing said it was ok then I am ok with that.

Mr. Greene, would you shoot me an email once you talk with Mike Sheets or Dave Tincher and if it is an answer that they give us today then fine, then I don't have a problem with it.

Ms. Bates, maybe it could go under the temp contract, I don't have a problem with that either.

Mr. Greene, I agree. Jan, you ok?

Ms. Smith, yes we just need to find out how it went through the first time. I don't think it is a commodity, I think it is a service.

Mr. Monterosso, I don't think anyone was disagreeing. At some point it was determined to be a commodity.

Ms. Auth, it's commodities and services contract, I mean they are kind of lumped together, right? Doesn't it say commodities and services?

Mr. Arrick, I think it just says commodities.

Ms. Bates, it is the Committee for commodities and service, but the services are the janitorial and the temp part. Then the commodities are mops, at least that is what I always thought. Jan, am I right?

Ms. Smith, yes, but I'm trying to look back, this goes back to 2010.

Ms. Bates, if we did then Purchasing approved it.

Ms. Auth, the next thing I had sent out, we are evaluating the process of all the different kinds of contracts that we do and looking at the processes, we have put together the Standardization Committee and Jan is on that with us to look at a wide variety of things and the issues of wages had come up and putting parameters on the contracts and definitions so we can do trainings for the CRPs on how we do all the costing and having very clear parameters. One of the issues that came up had to do with wages, we have three levels of wages for direct labor, lead worker and supervisor and if we put minimal and maximum parameters on those so from a quality standpoint we are ensuring there is appropriate supervision and leadership and things like that. So, we are looking at a wide variety of those issues.

We will be modifying the scope-of-work which we are waiting for our staff to go to training and for this Committee to start looking at that so we won't be doing that for these renewals. What we do want to do, we did propose three changes for the renewal process so if you could approve those or give us a feedback on what we should change for the upcoming.

**1) The first is to move four equipment items from the Expendable Supply Sheet to the Major/Minor Equipment list which would put it on a replacement rate.**

- Janitor Carts, 3 year replacement;
- Mop/Bucket Combo, 3 year replacement;
- Mop Handle, 3 year replacement;
- Wet Floor Signs, 2 year replacement.

The first three would be on a three (3) year replacement and the Wet Floor Signs on a two (2) year replacement. It minimizes the cost for that equipment rather than putting that in annually.

Mr. Monterosso, did everyone understand that or did she go too quickly?

Ms. Auth, the janitor cart is \$155.00 and that is currently on the contract to do that annually. They have a three (3) year replacement rate on those carts so by having this on the supply list we are charging the state annually for that but they don't need to be replaced until every three (3) years, so we want to remove that to the major/minor equipment list.

Mr. Monterosso, so instead of the state agency paying \$155.00 for that same bucket year-after-year that they are using....

Ms. Bates, it is actually what it is supposed to be.

Ms. Auth, the mop buckets are \$132.00 but it would be an annual charge of \$44.00 if we move that over to the equipment.

Ms. Auth, the mop handle, \$20.00 it would be \$6.77.

The wet floor signs are about \$27.50 and it is half that for two years.

**MOTION #5**

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

**2) Standardize substitute wages across contracts on labor calculation page.**

The second issue and I know because I was at the Purchasing Conference and Cedric talked on this, at that point the issue of substitute wages. They are currently on the contract for direct labor wages but not for lead workers or supervisors. They are only on about 30% of the contracts for the lead workers and the supervisors. Part of it is to standardize that. I know that was an issue brought up so I'm not sure what the thought is of the Committee on that issue, but it isn't standard across the board.

Mr. Greene, it is really more of an educational thing for the state agencies. I think there is great value if the supervisor is not going to be there. We require that you have another supervisor to be there. There is a cost incurred with that. Someone has to pay that cost. Some state agencies don't buy into that being their issue; they think that is more of a CRP issue. I don't think the state or certain agencies in the state are ever going to buy off on the supervisors on sick leave or on vacation and you replace with another supervisor and now we are going to pay both supervisors. I think they are going to have a hard time buying in on that. Quite possibly the answer is for that to be in your matrix, that be a part of the cost of doing business. Once again if we see it, we are going to ask a question about it.

Ms. Auth, with the change of looking at what sheets the state gets, they wouldn't have that sheet. I know from my conversations with a couple of CRPs when they were going through all of the sheets when they were getting all the sheets and the ones I spoke to didn't have a problem with it except it was spelled out very specifically that that is how it was rather than just lumped under wages. Their feeling is if they get audited whether they have done something erroneous.

They don't get their sheets; I do feel like going into this especially with the large number of renewals. There is going to be a lot of questions about that and with the letter and things like that. I know Bill has said we don't have things to hide and we want to be transparent and up front about those things to do that. The equipment costs changes here are going to lower the costs some for the contracts that already have this built in. Those contracts are probably going to go down because of the changes with that along with how we are factoring our 4.1%. But for the other contracts it is going to go up because (not on all of them but just looking on the estimates) it is going to balance out a little bit more higher on our side on the ones that are not factored in already.

Mr. Greene, these renewals they won't have this supervisory in there or will they?

Ms. Auth, well, that is not the pages we would send to the state but again they are used to seeing them and we will send the letter out.

Mr. Monterosso, if they ask, we will share, but Purchasing is not requiring it, but the issue is...



Mr. Greene, but is it going to be in there?

Ms. Auth, it is not the sheet that we would want to send, but the thing is we would need to talk to them about what the changes are. They see a change in the bottom line I am sure they are going to want to know why that occurred.

Mr. Greene, is the supervisory thing going?

Mr. Monterosso, is it going to be separate like it currently is?

Ms. Auth, we can change that sheet if you would like me to change it so it is lumped under wages, I can do that.

Mr. Monterosso, that is how it should be.

Ms. Auth, then I can change that sheet.

Ms. Bates, one thing I worry about with that is how do you do that, because I get several sick days a year and I use three, do you bill for the maximum amount I can get. I don't hardly take any leave, I have leave left over at the end of the year so if you bill for my maximum....the CRPs are going to come out ahead so that is my concern and I think the state's concern. How are you supposed to pay for what you don't get? If you build into the contract 30 days and you only use two then you have gotten 28 days worth of income.

Ms. Smith, as a CRP Director I will tell you that the majority of our employees take every day, every hour that they are entitled to and that is not a criticism of them because they don't get that much. I would doubt if there is a great percentage maybe 10%. Also in these contracts there is nothing built in for the days when it is so horribly dirty that your crews spend two or three hours extra. I think a reasonable amount of ten days a year is something that should be included and we should be able to have monies to provide coverage for them.

Ms. Bates, I think that we need to look at justifications for that. We are all used to saying; you can't pay for what you don't get. If it is even two days we are paying and it is a problem. So, if you don't use the maximum ten then there is an issue with that. It may not be for Fairmont, it is Higher Ed, I don't know. But with state government that is why you are getting the questions because they are saying, it is a built-in pad basically, that you may or may not have to use.

Ms. Smith, I just sent an email to Bill and Cyndi. It was in July of 2009 the low impact monitoring was on WVARF 2010 it is under commodities and it does include the equipment.

Mr. Monterosso, I just brought Joyce down here to see if she has any history.

Ms. Wysong, I have nothing.

Mr. Monterosso, back to supervisor, the positive thing about this discussion is that we are talking as we should as if these were employees that don't have medical issues, that don't have issues and needs far greater than the people sitting here. I agree that the state shouldn't pay for things that they don't receive but I also understand that CRPs shouldn't do things they are not getting paid for. How do you strike that balance? At the end of the day when we come to customer complaints, and this should shed some light on what we are talking about, a building doesn't get cleaned if a person isn't there, and trash cans do not accept trash because they know people aren't here and floors don't stay clean because there is not a janitor there. When that arrives there needs to be from a quality perspective the opportunity for a CRP to provide the service that is expected from the state agency. One of the ways to do that is to make sure that if Johnny is sick, we have a replacement. If Johnny is a poor employee we have a replacement then we deal with Johnny on a different level. But regardless of the situation the state agency isn't penalized. So what is the fair balance to ensure on a consistent basis that the state agency is getting the scope-of-work that is required by the contract? If there is a cost to doing that I think it is not unreasonable.

Ms. Bates, I think you know we don't want to beat the horse, but the thing of it is, we need to know all CRPs don't pay people for sick leave, they don't. You can't do an across-the-board thing because all CRPs don't do that. So that is an issue.

Ms. Smith, that is where WVARF monitoring/auditing comes in and looks at the contract. I can prove that I pay it. If a CRP isn't paying it then it is the CRP who should be penalized and told they have to start paying it, not the employee that shouldn't receive the benefit that he/she is entitled to. CRPs have to have due diligence to show that they are paying it.

Ms. Bates, the other side of that is if you are a small business person and you have ten employees and you choose not to pay them sick leave when you are working them 30 hours a week that is your choice, because you are trying to make ends meet. Within rules and all that, if people have to make ends meet they have to do the best they can. We can't tell a small business they have to do certain things. Some of them are struggling and very small and they don't have sick leave.

Ms. Smith, if they don't want to pay it or whatever then it is pulled out of their contract.

Ms. Bates, is the billing done at a set rate divided by twelve?

Ms. Auth, yes

Ms. Bates, ok that is the problem. If the billing were done based on the actual amounts, and you guys don't want to get into that, what I am saying is, that whole thing is a problem unless you build it in some other way. I don't know what the answer is, just saying you can't pay for what you don't get. That is unfortunate, you might pay it all out but 10% but there is that 10% you didn't pay out.

Ms. Smith, this is one of the places you and I disagree because I think the state is paying for a service to clean buildings, so if I get that building clean, that is what the state paid for. I don't believe the state is paying for x amount of hours for x amount of days.

Ms. Bates, well then don't bill the hours into the contract.

Ms. Smith, I just don't think that is something that can be monitored from somebody up on the state level if you are not in the building working, you don't know.

Ms. Bates, you can't have it both ways. You can't say: hey, I want paid for the extra hours but I don't want anybody looking at hours that is my issue with that. I'm all for everybody getting everything they can, I am just telling you that is the way the state looks at it.

Mr. Greene, the problem you are going to have and what you guys are talking about is the legislative issue. We are just spinning our wheels. The reality to it is no state agency is ever going to write a check for something they cannot prove. They are just not going to do it because they would be in violation of code. Supervisor is there and the supervisor goes on vacation for three days and you replace him with another supervisor – who pays for that second supervisor. The state is willing to pay for only the first supervisor. It is a requirement of the contract to replace them with another supervisor or get a complaint against you or get your contract canceled if you don't. You are really in a position that you can't win and I don't know how you put it in there so that it is spread loaded across the board so that the state is not paying for services not rendered. That is your problem.

Ms. Smith, is the service they are paying for clean buildings or are the services they are paying for the number of people in the building?

Ms. Bates, you are charging us for hours so you can't do it both ways. If you are going to say hours then it is going to be in the consideration, we are paying for hours that is what it is figured on. That is what we are paying for because when you all submit the contracts that is what you put in them.

Ms. Smith, that is why I don't want that in the contract. That is why I said quit showing that to state agencies because what they are paying for is the service and not the hours.

Ms. Bates, I don't think we can come up with any answers. I'm not disagreeing with you Jan, I am just saying you have to look at the whole mechanism as you can't do it both ways. There might be a way around it and somebody might figure it out and bring it to us, but today there isn't an answer for that.

Mr. Greene, I don't think it is a legislative thing.

Ms. Auth, you asked a question but I wasn't sure to clarify that.

Mr. Greene, have you all put in these contracts that the supervisor is on vacation for three days and you replace him with a supervisor and the state is paying for both of them?

Ms. Auth, the majority of the ones I have done have had that in it. But they had it in it last year.

Mr. Greene, did the state agencies go for it?

Mr. Monterosso, they are existing contracts.

Ms. Auth, I wasn't here last year but we are invoicing and getting paid – purchase orders.

Ms. Smith, didn't we agree that they are not going to see those sheets anymore.

Mr. Greene, but here is the thing. I am going to nip this in the bud. We can say whatever we want to say in regards to what we are going to allow the state to see and what we are not going to allow them to see, but the reality to it is that we know that we are not being transparent and we know that we are not doing the right thing then we are not going to do it. I don't mind to bend a little bit and not allow all this paperwork to go to the state agencies because I believe it gets them all jacked up about certain things, but when we are talking about receiving for services not rendered I have a problem with that. And, I can tell you right now, in the Department of Administration we will not be paying for services not rendered. I can tell you that as a fact, because that is not what we do. I am fairly certain that the other agencies shouldn't be doing it either. But, I am not in that department; I am in the Department of Administration. I know from the Department of Administration, we do not pay for services not rendered. That is an absolute. General Services, I can guarantee you if there is a supervisor there and that supervisor goes on vacation for three days and you send another one then General Services won't pay for it. Absolutely, they will not pay for it because they follow the law. That is the bottom line on that. If those things are in the contract and they are in the contract previously then the only thing I am suggesting to you is make sure that they know that as a statement. You know what I am saying; they need to know if potentially we are doing a work around or some kind of way of having them pay for services that are not being rendered. I agree with Jan, I believe you don't get enough benefits and I agree that maybe if they rate ten sick days a year, yes they probably do use nine of them. I rate maybe 30 a year but I don't use any of mine. You are going to have people like that who will use it all and some that don't. Somewhere in the middle is the truth. The problem is when you are dealing with taxpayers money you can't hang in the middle. It has to be absolute. So if ten people use all ten days and that was an absolute then great, I think you should be paid it. But the problem is you are going to have somebody that is not going to use ten days. Even if they use nine and it is just one day, that is still \$100.00 that taxpayers don't want to pay for because they didn't render any service. That is your problem right there. I can tell you from the Department of Administration, I can guarantee you we are not paying for anything that is not rendered. Other branches of state government as long as they know, that is the thing right there – I don't know if they know. If they know what I know they would say no they wouldn't do it because they are not allowed to. All because it gets through the Auditor and the Treasurer is entertaining but that doesn't make it right if we are not being transparent. You all have to be transparent as well, which I think you guys do a great job at doing it which I think you want to do. You are in a catch twenty-two; you can't have it both ways. You can either let us look at all the hours and peel away at the onion or you can base it on services then we don't peel near away but then you can't go back and pull something out of door two. You either get door one or door two but you can't have them both, you can't pick and choose when you want certain ones of them. That is not Cedric's rule that is the Code and it is very simple. I have had that quoted to me more than a 1,000 times; you cannot pay for services not rendered. Nobody will go on record to tell you: hey, I am going to pay for services not rendered. They won't be in state government very long if they ever admit that. We will agree to disagree.

Ms. Bates, you all want to look at how you develop your fair market price somehow, I don't know. But this way we can't do it, it is impossible.

Ms. Auth, I think the next issue should be a lot easier. We are recommending adjusting Criminal Background Check to match the Morpho rate since we are required to do that. Last year's contract had \$20.00 but the rate is actually \$45.35.

### 3) Adjust CIB rate (Background checks) to current prices.

- Increase Federal Rate from \$20.00 to L1/Morpho Trust rate of \$45.35
- Add State Rate at L1/Morpho Trust rate of \$28.50

Ms. Auth, the state is \$28.50.

Mr. Monterosso, the \$45.35 never changed and it can't change. This is what I learned from Purchasing, you are locked in for one year. This \$45.35 never changed because that is the Federal background. Some agencies do state only, some farm it out. According to what we are obligated by law, after renewals last year, for those agencies dealing with sensitive information or the Capitol grounds is to submit to criminal background investigation at the price and we have to use Morpho Trust L1 (15 names that they go under) to do.

Ms. Bates, and you are only billing for the ones you actually do.

Mr. Monterosso, correct.

Ms. Bates, that is the way to do it and that might be a way to consider some of the other things you are looking at. I know it is not convenient and it is not divided by twelve but it is really what you are doing. You are paying for what you are actually getting.

Mr. Monterosso, you could create a template or something at the end of the year and say, collectively between the CRP and the state agency do you agree that Johnny missed ten days, we will explore again.

Ms. Bates, that is one way to do it then you are actually paying for what you did.

Ms. Auth, that is all I have.

#### **MOTION #6**

**Ms. Bates made a motion to approve the Criminal Background check. Mr. Sullivan seconded. Motion passed.**

#### **CONTRACT COMPLAINTS:**

Mr. Monterosso, this is by the rules that there is a corrective action that has to be brought before the Governor's Committee. I received several complaints from ERP from Mike Withrow. Pretera has the contract. We had Goodwill to provide a temp. We did not want to lose that contract. ERP loves the two gentlemen who are there. They need someone there to clean the building; they cannot afford not to have someone there to clean this building. It is a heavy traffic area. Monday – Friday one guy goes in on Wednesday another guy goes in to deep clean. The problem is one of them was sick. The person that was doing the deep cleaning on Wednesday got moved to another contract because Pretera was having problems across the board, not just state use contracts but others. A week went by and an additional week went by and we are still providing a temp service and I can't get in touch with anyone from Pretera so we did a correction letter. A copy of the letter was given to all attendees. Pretera responded and they

have agreed and we are aware of the issue and it is our fault. They reassigned the supervisor. I am meeting with Karen Yost who is the Executive Director and the supervisor replacement next week to discuss their plan of correction and their expectations. I do not believe they will not pursue that contract once the renewal comes up. None the less we have to serve that provider. We have temps in there to make sure that service is being performed. What we are doing there is not double dipping. If you pay \$100.00 we are going to deduct \$100.00 from Pretera and you are not paying any more or any less. The corrective action went out and I will forward the response to you electronically and I can bring that response to you at our next meeting.

Mr. Monterosso, Joyce before I get started do you have anything historical regarding the commodities contract and how the low monitoring ended up under commodities?

Ms. Wysong, everything was on one big contract at one point, commodities, janitorial, temps and everything was on that contract. When they separated it out for janitorial that is exactly what they did was janitorial and not anything else. Anything else was lumped into the WVARF 10 contract. And it became the commodities contract; it is everything else except the temporaries that are included in that contract.

Mr. Monterosso, is it right to say that it is really not a commodity; it is just under the heading of commodities?

Ms. Wysong, right because it is a little bit of everything. It is everything included that is not on the other two contracts.

## **FINANCIAL REPORT:**

Mr. Monterosso, the Statement of Financial Position – Assets \$2.7M, Liabilities \$2.7M. The negatives under the current liability: Federal Withholding - CNA \$291.36; State Withholding - CNA \$710.77; FICA Withholding - CNA \$1,176.17. Those were over payments that we made on the 4<sup>th</sup> quarter payments to IRS. We overpaid them and they have already reimbursed us. That will be reflected in the next meeting.

If you look at the budget we are running at a deficit about \$68,000.00. If you will remember the budget was created not by me but was created by the previous administration. The Document Imaging was not budgeted and if you will recall if you have ever visited WVARF over at Goodwill it was like paper heaven. Paper went there to die and it was accumulated for years. I didn't want to throw everything away in attempts to improve inefficiencies and processes. We engaged Precision to pursue our document imaging. That was a substantial cost which was about \$17,000. The recruit for the Executive Director's position was not accounted for in the budget and that was over \$25,000. The space for different events and activities that we were doing was not accounted for in the budget. Training was not accounted for in the budget. I can't speak on what the budget was trying to do for me but as we are trying to move and improve professionalism to make sure we have that expertise and training was vital, to make sure that we were streamlining our processes, imaging mounds and mounds and mounds of paper was critical in case of a catastrophe event. It comes in one disc and Precision returns back to us and you can search for items that were chronological and it was needed to be done.

Professional fees has been high because of the conversion from Peach Tree to QuickBooks because of our problems with the computers that the additional resources that we are paying ATS, additional resources that we are paying Suttle and Stalnaker to help us with our finances. Suttle and Stalnaker costs will continue to reduce as Aaron's role will continue to increase. The budget next year will not have recruiting and all that stuff. So, if you see things in parenthesis we are well under budget for the most part. If you look at the budget as a whole we should be at about 58.3%, if you want to be exact we are at 56% almost 57%. As a whole we are fine. Our problem is our revenues are not as high as they need to be.

Some invoices that Joyce is working frantically to get in, not every single one, we think all of January but some stragglers that is not in here so that will be reflected and will reduce that deficit. Our revenue is almost where it needs to be, we are trying to jump start that to increase the revenue by increasing the services.

Our products are up almost 20% - 19 ½ %. Our products that we are doing is almost 20% higher than it was last year and accounted for in the budget. What is hurting us part of the revenue strength is the temp services and I don't want to blame the background checks that is part of it, but we need to do a better job at exploring and Cyndi has done a great job in exploring new ways of incorporating temp services particularly in the ERP case to engage temp services. In the meantime we can engage temp services. So there are creative ways that we can infuse and hopefully make up some ground with the temp services.

Ms. Bates, temp services, right now there is the freeze.

Mr. Monterosso, you have that 7.5% cut across the board; you have the sequestration so there are a lot of things that are playing the role in that. Our goal is to hopefully Joyce and Aaron is to get all the invoices for February so we can refigure this and hopefully put us in a better light. One of the things creating that deficit is if you recall the lawsuit with Goodwill. There was that \$40,000 + lawsuit and we settled for less than that. That is still showing here. Actually we have an additional \$10,000 and that needs to come off that deficit. We need to strategically look at where we placed it – it doesn't really matter where we put it in these line items because I have to redo that budget next week anyway. The new budget that you guys will have to approve will hopefully be more in line with where we are going as a state use, the CNA and will be reflective of how we utilized that 4.1%.

## **MOTION #7**

**Mr. Sullivan made a motion to approve the budget. Jan Smith seconded. Motion passed.**

## **OLD BUSINESS:**

None

## **NEW BUSINESS:**

Mr. Sullivan, who supplies the water here?

Mr. Monterosso, well we should be getting it from CRPs.

Mr. Sullivan, I just want to thank you Cedric and the other members for the consideration that you have shown in trying to get as much for the employees as we possibly can.

Mr. Greene, I appreciate that and Everette you keep us honest in that respect. That is why the Committee is made up that way.

If Cyndi and Bill would come back to us and let us know the average rate of salaries so we will have some basis because I really don't know. Then secondly Purchasing is going to look, Don if you would run that by Dave Tincher and send me an email and I'll send to Everette, Ms. Bates and Jan then we will go ahead and approve it and get it to you and you guys can go ahead and start moving down that road.

Always be mindful, we are never, never trying to be an obstacle or hurdle for people working but we need to make sure that with all of our experience that Jan brings to the table as well as with her perspective that we hear all the views and make sure we are doing the right thing. The last thing we want to do is approve something that is not, we just don't want to be flippant about our decision. We want to make sure it has been well thought out and that we are as educated about every circumstance as possible so that we make good sound decisions that people can't come back and say what the heck were you thinking when you did that. With that is there a motion to adjourn?

## **MOTION #8**

**Mr. Sullivan made a motion to adjourn.**

Mr. Greene, our next meeting is the 17<sup>th</sup> and Oglebay the 18<sup>th</sup>.

## **PUBLIC COMMENT:**

None

## **COMMITTEE MEETING DATES FOR 2013**

May 15, 2013  
June 19, 2013  
July 17, 2013  
August 21, 2013  
September 18, 2013  
October 16, 2013  
November 20, 2013  
December 18, 2013