

MEETING MINUTES

June 19, 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. June 19, 2013 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

ATTENDANCE:

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

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

Absent: Jan Smith attended by Conference Call
Brenda Bates attended by Conference Call

Guests: Carla Cleek, Division of Rehabilitation Services

COMMITTEE CHAIR REPORT:

- 1) Mr. Jones owes us an email concerning \$52,000.
- 2) Purchasing for action (Fairmont University)

Mr. Greene, good morning everyone, I believe we have everyone here that is going to attend. We have Brenda Bates and Jan Smith on the phone with us today. We are getting ready for the Sesquicentennial at the Capitol, come on down and join the crowd tomorrow. Goodwill employees are out there cleaning from end to end and doing a very fine job. They are anticipating about 20,000 people that will be at the campus starting tomorrow. The campus is looking good and thanks go to the Goodwill people for doing a great job.

Mr. Monterosso, I want to introduce everyone to Shana Trippett who is the newest member of our team, she is our Business Coordinator. She keeps us all coordinated and she is a go getter and what I like about her the first day I met her she said I'll do anything just don't stick me in front of a phone. She has done a lot of work for us and is keeping us organized in going through every single contract and going through the data base and getting us to the point where we should be. The business coordinator serves the liaisons and understands what those contracts are.

Mr. Greene, welcome aboard Shana, we are glad to meet you and we hope this is a good move for you.

Mr. Greene, Bill and I met and had lunch a couple of weeks ago and talked, nothing of substance, just getting to know each other better so we can understand each other's roles better, so when we do have our meetings we are not absent from each other 29 days prior.

Mr. Greene, approval of the minutes from our last meeting?

MOTION #1

Mr. Sullivan moved to approve the minutes. Ms. Smith 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)
0.00 -	A/P Current Expenses (Act. 130)
1,358.16 -	Disbursement
<u>401.86 -</u>	Transfer Out
\$3,294.98 -	Balance Remaining

MOTION #2

Mr. Sullivan made a motion to approve the Executive Secretary's Report. Ms. Smith seconded. Motion passed.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Monterosso, at the last meeting there was discussion on the annual report and the lack of reporting from the Rehab programs. What you have in front of you is an update of the status of every CRP based on the end of the 3rd quarter. For this year, we are fine to do our 2012 – 2013 year end annual report which obviously we are not ready for it as it hasn't ended. As we are going back to the status of 2010-2011, you are looking at the 2010-2011 and we need one (1) report from Eastridge Health Systems and two (2) reports from Jackson County Developmental Center. Both are working on the reports and we have to have those reports in by the time this meeting is over. Also FY 2011-2012 we need one (1) report from Mid Valley Health Systems and one (1) report from Jackson County Developmental Center. If the Governor's Committee agrees we could combine the 2011 and 2012 reports, those two years just to show the last two years.

Mr. Jones, my personal opinion would be to separate then have together so when you go back and compare year-to-year.

Mr. Greene, I would agree with that too. I would think administratively we would keep separated.

Mr. Monterosso, ok we will keep them separated and submit at the same time then our goal is to have that information to share with you at the July meeting.

Ms. Bates, there are two different things we are talking about. One is the annual report and the other report is the activity report. Which one are you talking about?

Mr. Monterosso, I am talking about the annual report right now. Do you have the activity report?

Ms. Bates, I have the activity report but that has to be done and submitted to the Committee annually because we have to keep that 75% ratio. The annual report is totally different.

Mr. Monterosso, Mary indicates you have the annual report – the status report.

Ms. Bates, I have the activity report from the CRP's.

Mr. Greene, we are good with that. He is just giving us an update on the annual report.

Mr. Monterosso, that was not turned in for fiscal year 2010, 2011 or 2012. So that is the status I am talking about. It is just a one page synopsis.

Ms. Bates, that is the activity report, I have that. I want to make sure the activity report is based on the 75% which I have and it has to be done annually. The annual report is the report that goes from the Governor's Committee to the Legislature that has all the information in it. Don't confuse the activity report with the annual report. The annual report has all that data plus all the other data.

Mr. Greene, everybody is on the same page.

Mr. Monterosso, with that being said, hopefully you have received the Master Agreement as these were mailed to all CRPs in draft form. The changes have been mailed to the CRPs indicating that we would be presenting this as a requirement, and your requirement, but I wanted them to look at it prior and I didn't receive any feedback. Let me direct your attention to the Master Agreement and nothing changed other than the yellow highlights. On page three is where we beefed up some of those changes. [CRP will complete and send WVARF, Inc. by the 30th day following the end of each quarter the "West Virginia State Use Quarterly Report." This is a mandated requirement per legislative rule – Series §186-4-3.2.5 and Series §186-4-3.2.9. In addition, it is a mandate to be in compliance with the Governor's Committee according to legislative procedural rule Series §186-5-7. (2)]

Mr. Monterosso, Jan, do you and Brenda have this?

Ms. Smith, yes

Mr. Monterosso, see #8: [Failure on the behalf of CRPs to comply with the above mentioned requirement will result in suspension of payments until reports are received. In the event that any individual CRP places the CNA in jeopardy of not completing the Annual Report, a corrective action plan will be developed and potential revocation of existing contract shall be considered.] That was a major change. The next page

See under V Payment of Services, A: [Payment to CRPs will be made within a reasonable time of receiving payments from state agencies for services rendered. In addition, CRPs will be guaranteed to receive payment for invoices received (**that is not disputed or unclear**) based on services rendered that meets or exceeds the 60 day threshold for which WVARF, Inc. has not received payment.]

The only other thing is Appendix A which outlines the process of payment. A copy was handed out to all attendees.

Mr. Sullivan, on the potential revocation of existing contract shall be considered that would be your responsibility Mr. Monterosso?

Mr. Monterosso, yes

Mr. Sullivan, would we then approve?

Mr. Monterosso, yes and hopefully in the event that a CRP continuously refuses to give us the information like we have been facing and part of it is our fault that we were missing 2010 – 2011 data with the transitioning and the move and the non-administrative function that occurred it was probably our fault that we lost or misplaced that. But moving forward from this point forward, from July 1 on in the event that a CRP does not fill out a quarterly report we will obviously give them a notice and we will give them a timeframe of when they need to submit that report which is by the 30th day of the month following the end of the quarter, so that is plenty of time to do this and if they do it all along it should be easy. We will put ticklers out there to remind them and in the event they do not submit it there will be a corrective action plan, within a strict timeline (a one week period) if we don't have it then a correction plan will be developed and if they still don't turn it in it would be presented to the Governor's Committee and say they are out of compliance. I hope that never happens. I don't foresee that to happen but that is the chain of events that I see occurring.

Mr. Greene, is there a motion?

MOTION #3

Mr. Sullivan I move we approve corrections as outlined in the Appendix A and the new draft of the Master Agreement. Ms. Smith approved. Motion passed.

Ms. Smith, I don't have a copy of that.

Ms. Bates, I don't have a copy either. Are we approving Appendix A too?

Mr. Greene, we are approving Appendix A and the new draft of the Master Agreement. This talks about the payment outline but they are going to send a copy to you.

Mr. Monterosso, Appendix A did not change from what you have approved in the past. We are going to email to you right now.

Ms. Bates, I have one question, on the talking about CRPs will be made within a reasonable time of receiving payments from state agencies. In addition and it goes on to say that is not disputed or unclear, how long does it take to determine that? I want to make sure that the 60 day limit is still honored and that we know what that means unless it is disputed or unclear. This is on page four (4). I just wondered who determines - you are not going to get paid within 60 days because of this.

Ms. Smith, the contracts that are monthly contracts that occur repeatedly throughout the year, those are rarely if ever disputed but some of the temporary services as far as providing commodities, one thing that WVARF has historically had a problem with is the CRPs don't send their invoices when they should so that makes everything unclear. Then there are other times when CRPs will state one thing and the buying agency will say another. Those are where we get into a dispute. I don't think the CRPs can legitimately expect to get paid within the 60 days if all of that is not taken care of. That is what that relates to.

Ms. Bates, I just want to make sure that I understood it before I said it was ok just that the CRPs were ok with that.

Mr. Monterosso, I emailed this out to all CRPs matter-of-fact before you guys got it. I have no questions at all, the only question that came about was when we had to as part of this service agreement there are certain requirements that CRPs have to provide for us. They are recognized as a charitable agency approved vendor a number of things. A couple of those questions came up but nothing regarding the master service agreement.

Mr. Greene, what concerns me about this annual report, status update sheet is that Jackson County Developmental Center is on both of them. That means there is no documentation from them for two (2) years saying what is going on there and that is a concern. I think this type of wording on pages 3 and 4 will be crystal clear to them that if they don't comply you can come to the Committee and stop payment.

Mr. Jones, I think on that Jackson County Developmental there was one quarter it wasn't like they had not turned in anything but there was one quarter missing.

Mr. Greene, my point to that is there are 20 agencies; this is only one of two that didn't comply.

Ms. Smith, some of the issues is that some reports that had previously been turned in through all the upheaval with WVARF some of them were not found because we provided those and it could be that they had been turned in at one point. They just haven't resubmitted them.

Mr. Monterosso, I am going to take a little detour right now as I want to give you a couple of updates. I want to give everyone a quick update on Cyndi Auth, as you know Cyndi was our Business Relations individual; we put her on a contract throughout the summer. As most of you know Cyndi is a personable person and she adopted three (3) children who have special needs and she felt that it was critical that she spent some time with them and provide the structure that they needed throughout the summer. We put her on contract it will be one day per week which helps in a lot of ways. Obviously it helps us to create some flexibility within the budget and it helps us to really focus our attention on what it needed to be all along. When I brought Cyndi in, it was with the intention of quality control, quality assurances, outreach development, those

kinds of things and she got thrown into the chaos of contract renewals and development which is not her wheelhouse. Needless to say she was pretty burnt out with that type of business so this is a good transition as Mark and Gary have honed their skills; they are more comfortable with the contracts and contract development part of it so we can take that away from Cyndi's chain of responsibilities. I can utilize her in the areas that she was intended to do from the beginning with the quality controls, quality assurances, and website. Just wanted to update you on that.

Mr. Monterosso, the website, www.wvarf.org. I encourage you all to take a gander at that and I hope you will be pleased with the new look. It is a new design and it is not 100% complete but it is functional. All the CRPs are listed, we are going to be working with CRPs to talk to that consumer or that viewer in terms of commodities and really fine tune the language that we use and get people to understand what we truly do. I am happy with it. There is a nice link that was done by a national organization on state use itself, community rehab programs, what are CRPs. I encourage each of you to visit that. We are going to be working with a video photographer to highlight who keeps West Virginia clean, who takes care of the streams, the buildings, what is the impact and how are those lives changed by having the opportunity to partake in the state use program and what it means to taxpayers and the state as a whole by having individuals contribute to the tax base.

FINANCIAL REPORT:

Mr. Jones, this is for the month ending April 30, 2013. On page one (1) of the statement of activities versus budget. Our revenues are at 81.31% of the budget. At this point in the year we should be at 83.33% so we are coming in close. The big difference is the temps services are down so as you look through this let me know if you have any questions. Expenses are a little above and it will reflect back on what we have had to do on the Document Imaging was a lot greater than we thought + they were using outside sources to do the accounting and the professional fees were a lot greater than was budgeted. Some of the staff and board developments which weren't budgeted we have several items there that have increased that. We are at 86.91% on the expenses and if we were at the 83.3% you can see we are a little over there. Then also on the expenses where we pay our CRPs along that same line of 81.26%. Our present change in assets is at a loss of \$25,760 at this point-in-time. Looking at the next page we have our accounts payable, nothing is over 90 days during this period and in the column 61-90, the two items listed there, those have been paid.

When we move into the accounts receivables there are items still listed here and the big item for \$63,324.26 for DHHR/Diamond Building and we have made contact with them on that and those have been submitted for payment.

IS&C, Cedric took that back with him and that has been paid.

The low impact \$36,408.73 that has also been paid.

In the over 90 column, this column has \$187,571 and of that \$87,182 has been paid. That would bring our total to \$100,388 and \$63,324 of that is being processed for payment, and \$37,000 is what we are over right now and we are working on that. In the 61-90 day column we had \$44,742 that was outstanding and of that \$29,853 has been paid so we are looking at \$14,889 that are older and we are still working on.

Mr. Greene, that is a very nice report and we appreciate it.

Mr. Monterosso, Jan did you and Brenda get the last email?

Ms. Bates, yes we did

Mr. Monterosso, let me say that Aaron went back and did a side-by-side comparison starting with FYE 2010 and June 30, 2011 and June 30, 2012. Greg Raber was the Executive Director at the time and all of 6/30/10 and all of fiscal year ending 6/30/11. Marsha Allman took over in August, 2011 and then of course I took over in July of 2012. The last two Executive Directors came in after the budget had already been developed so when we look back at trying to solve the question of how the \$71,000 was spent. Aaron came up with the following conclusion and I will let Aaron guide us through this portion of it since he understands it the best.

Mr. Jones, between 2010 and 2011 I went back and broke these out by account just to see if any account was majorly up where this money may have been used for. We were at \$71,521 surplus at the end of 2010. I understand that was a pretty good year for us. These numbers all come from the Peachtree. If you will look above that where it says service contract payments the best I can determine between 2010 and 2011, they hired another contract person. If you will look on page 1 there is a difference there in the administrative salaries of \$39,126. When I investigated I found there was another contract person brought on. The best I can determine is when you look at the contract amount on page 2 it went up \$480,000. So that individual coming in spending time working with contracts increased that portion of the contract by almost a half million dollars. In this period of time is when Goodwill's problem arose and it appears that \$131,888 was written off as a bad debt during that year. Thus, bringing that total down to \$28,632 lost the following year. Then in 2012 which we are currently under status of the audit and getting that audit finished, it looks like \$89,000 of that was actually added back in. That year with that would have put it back up to \$101,326. In determining what somebody did prior to us, I don't know what their plans were or what they were trying to accomplish but it looks like they were trying to increase the contracts which they did by hiring the other individual and using a portion of that money for that. As far as training and other items I don't see any major expenses that were there. This is the research I have done to try to say where did that \$71,000 go and again like I said they hired another person but it looks like that is when the turmoil, the Goodwill thing came up and it looks like they went on hold until that was settled and actually it wasn't settled until this past year.

Ms. Green, so this \$131,000 that was initially a loss but then almost \$90,000 of it was somehow leveled out. So it was a \$40,000 loss. I recall that.

Mr. Jones, that is kind of a summary looking at it from the accounting side looking at what might have taken place with that \$71,000.

Mr. Greene, Brenda asked this question to me yesterday and I am going to ask you. In the financials where it says Goodwill settlement of \$52,000 what does that mean?

Mr. Jones, that was part of the money that was recorded in the CNA side which in the final I think the membership made the final settlement of the \$25,000. It had to be transferred and to be honest with you I would have to go back and look at exactly what makes that up, there were some entries made before I got here that put that \$52,000 back in there.

Mr. Greene, where this says \$52,148.33 - it says Goodwill settlement.

Mr. Jones, that is in the revenue side. We didn't receive that money but we transferred it. We had it expensed and like I said I'll have to get back to you and give you exactly what happened.

Mr. Greene, did you hear that Brenda?

Ms. Bates, yes when I saw that it was a little confusing because I didn't know who settled with whom. I don't remember discussing that settlement.

Mr. Greene, I know that with Goodwill, you remember the drama, everybody remembers that, but the last I recall of it was when WVARF lawyered up and Goodwill lawyered up so that tells you right there nothing constructive was going to happen because nothing did happen. I don't recall there ever being a final determination when it got to the lawyer. Once it got to the lawyers it died. When Brenda called me yesterday about this \$52,000 and then she was initially concerned but then she became unconcerned when it was in receivables but now when we start talking about this 4.1% now it looks like this \$52,000 settlement thing – it just looks odd. But I will tell you this, so we don't belabor it. I don't understand it and I would like for you to send me an email explaining to me how we got to where we got to. But, I will tell you this, I feel so confident in you, that is the only saving grace in this whole thing is that I feel confident that you will bring a product that I will understand and I think the Committee will understand. No slight on you, I get you, I think you are the real deal. I think you know what is going on because we have been without that for about two years in that department. We don't know really what is going on and we are approving things and we really don't know what we are approving but I feel confident that you do a great job and you are the real deliverable so we are looking forward to you explaining that \$52,000. It is what it is, I couldn't begin to tell you and so I am hoping that you will do that for us so that we feel comfortable. The 4.1% Cedric's good with what you are saying, I understand, trying to go back through Peachtree and trying to understand what people were doing at that time. That was the Committee's whole concern with not having a CPA. Am I right Everette?

Mr. Sullivan, yes

Mr. Greene, when you don't have somebody that has the thing that hangs on the wall that says they understand money and that they are certified, this is what happens. You get people moving around, everybody knows a little about fixing a car, fixing a house and giving information out to you, but the reality to it is if you don't have the thing hanging on the wall you are at the 9th grade level you are just doing enough to keep it moving and I think that is what has happened here and that is why I don't understand the \$52,000.

Mr. Sullivan, Chris was here previously, he was a CPA and he left and went to Highland Hospital. If you get to a place where you don't understand exactly what you need to know he may be able to guide you somewhat.

Mr. Jones, I have had to email him a few questions.

Mr. Greene, from my perspective, I thought he was a great guy, I thought he was very professional.

Mr. Monterosso, moving forward and how we are going to spend the 4.1%. Aaron and I will work with a format in the budget that sends a trigger to you saying how they are spending it. The budget itself should tell you how it spends but we want to make it clear. Here are some of the ways that we have, since I have been here and how we will spend that 4.1% outside of just the administrative cost of invoicing and what it costs someone to process a bill.

- 1) Board development that is critical and the education. There are membership dollars that will go towards that but getting CRPs to operate as a business so they can create more opportunities for those individuals that we are responsible for as far as those contracts is critical. Those trainings are critical because our own staff will utilize and learn from that. As an example the Affordable Health Care Act, we offered to the Committee to chime in. Education and awareness, Cedric and I spoke when we had lunch with Mike Sheets and Dave Tincher and I spoke about putting on a venue for the local Purchasing agencies who don't get to do a lot of things that the higher up purchasing people get to do and more importantly, creating an awareness in Education, experience and opportunity for them.
- 2) Product development, we need to spend some resources and time on product development. Looking at benchmarks, building those partnerships, Gary and Mark secured a nice contract with Cabala's. WATCH has a nice contract with Cabala's with that being said that happens through staff development.
- 3) Gary and Mark have had the opportunity not only attending Supra Conferences, seeing things at a National level.
- 4) They have attended Janitorial University.
- 5) Gary and Mark also attended Document Destruction Training in Savannah, Ga.
- 6) They went to a Fred Pryor Seminar. We talked about the need to have distribution centers and that is a critical need to help with our partnership that we are developing with 3M.
- 7) The four of us will be leaving tomorrow to go to New Jersey to meet with Frank Byrne; with U. R. Source and he has a corporate partnership with 3M. He understands I am not in the business to compete against him, I am in the business of opportunities for individuals with disabilities and CRPs can be self-sustaining to create those opportunities. He has a world class distribution center that he does janitorial supplies, commodities and those types of things to 48 different states. He has been gracious enough to open his arms to take us in that place. I will hook Gary up with the sales people and Mark will be linked up with their product development and design people and Aaron and I will meet with Frank and his financial business person. I am looking forward to that opportunity as we move toward creating those strategic distribution centers that will help increase volume, products and services, create some standardization and the way we operate.

These are some of the ways we will be utilizing the 4.1% and I'll put this in a nice packet for you and I'll outline it and put target dates, trigger dates and we will try to earmark it on the budget so

it is open, clear and without question of how we are utilizing that money. Mark and Gary worked on a schedule of the assessments. You have probably heard them called audits but we are not auditing we are going to assess the CRPs. This is the first quarter of 2013 and it will show you exactly where they are going to be and what they are going to be doing and that is for your pleasure. They will be on the calendar that I have handed out to you today. The Governor's Committee knows without a doubt that we are addressing your needs and we are fulfilling the responsibility of this CNA to do the work that we are changed to do.

Mr. Sullivan, we talked about the surplus, do we know how much, was it \$71,000?

Mr. Jones that three year comparison is to show.....

Mr. Sullivan, so we have a surplus of \$71,000?

Mr. Monterosso, no - the \$71,000 was the surplus in fiscal year ending June 2010. It carries over and then at the end of 2011 we were \$28,000 in the hole. A lot of that happened because of GSD/Goodwill/WVARF fiasco. Things were put on hold. The strategic planning was on hold because we didn't know how much we would have to pay out, then the negative \$28,000. Right now on the present day, fiscal year ending June 2012, there is a \$101,000 that is in audit status right now. Our auditors are looking at that. Right now we think there is a surplus of about \$100,000.

Mr. Jones, currently we are \$25,000 deficit and then the \$62,000 Goodwill, that may not be a revenue number, actually it is an entry so actually that could increase to where we are back to even status at this point-in-time. I will have to research that to see how that is going to play out.

Mr. Monterosso, our current budget \$25,000 we are running a little behind. A lot of things probably impacted this year. We had state government reducing across the board, we had sequestration, and we have temp services that took a nose dive with the background checks. There were a lot of things that decreased our revenue but there were a lot of expenses that should have taken place as far as staff development, staff training, outreach development and those kinds of things. It may not be a bad thing if you have to spend more than you actually make, this was the year to do it because we had that offset, to help us get staff to the level where they need to be as far as getting resources and tools they need to do their job, be able to afford to have a quality accountant on staff so this was the year to do that. And, having some confidence that when Aaron and I met weeks ago and said ok let's develop a new budget knowing what we know now and looking at trends because this wasn't my budget, I inherited that budget. This coming July 1 that is my budget. I think we will be right in the gutter and make sure we are not over spending or under spending, we are doing what we said we were going to do and we are fulfilling those contracts. If any of you have any questions, just let us know.

Mr. Sullivan, I was just concerned about the \$42,000 and that was when Greg was here and he was going to set up a training program to help the people here better serve their position. But we don't know yet where that money went or what kind of training took place. What Aaron is trying to do is track it down and see if he can find it. What you just said, you used money to train the present staff so that might be where the surplus went. What other comments do you have about the 4.1% of income?

Mr. Monterosso, right now because I try to be reasonable and to be honest with you, I can't tell you if the 4.1% is enough for us to do our work I can't tell you if it is too much or I can't tell you

if we are living hand-to-mouth. Because I can make some assumptions and I know the amount of work as far as the invoices are taking place and if we want to increase our products and our commodities the amount of work hours that has been drastically increased and it is going to happen because we are going to grow and Aaron will tell you first hand just in his short experience here of really the need of another administrative person just to help process those invoices.

Mr. Sullivan, I think Bill we are running a big business here close to \$13M and my concern is do we have enough income to support the efforts that has been made. If we don't have enough money to do the job then we are going to wonder what was here and what was there, etc.

Mr. Monterosso, part of the problem is that the intent has always been there to do good work. I think some of the capacity or ability to get us in a certain direction may or may not have been there from the business perspective. There has been a lot of good Executive Directors, Craig Greening, wonderful, great guy and he went through hell when he was Executive Director here but a lot of them are good hearted people but they might not have had a vision or direction. Right now what we have lacked and for a number of years is really continuity and consistency. We didn't have an Executive Director I'm sure there was a length or span of time but if you look at the last 15 years there probably hasn't been a director that has lasted more than two (2) years. When you look at this, just in a three year budget there were three Executive Directors that took over the budget at the end of the fiscal year so two of the last three inherited a budget and is trying to do the best that they can with it. This year I will be able to give Everette and the Committee a hard fact numbers driven account of what does that 4.1% truly mean. We are working behind the scenes to look at some type of incentives for the business liaisons to go out and increase revenue and for the CRPs which increases our revenue which gives us the opportunity to have the talent in place to do some things, and I have to do that within the 4.1% boundary.

Ms. Bates, I think something I heard concerned me just a little and that is that we are working with Cabala's and some places like that in terms of trying to increase revenue?

Mr. Monterosso, yes

Ms. Bates, that is great but that can't be done with the 4.1%. The 4.1% the way it is written and what has to be done and this was a huge issue and the reason that we have an RFP is all of the 4.1% has to go to revenue development within the state government. Anything that is done outside of that is for the CRPs and that is great but it has to be done budget wise on the revenue – from the dues. We have to be really careful when we talk about the 4.1% and growing that is wonderful but the intent when the RFP was written was to ensure that all the money that was coming in on the 4.1% is being used toward the development of state government. If it is not then maybe the CRPs can pay something to you all based upon the revenue that you develop for them.

Mr. Monterosso, Brenda this is how we are going to do it and spank my hand if I'm wrong. Matter of fact, the email that I read this morning was Cabala's reaching out to us and they weren't aware that we actually did document handling and destruction and all that. We communicated with Pac, with WATCH who is in that area to put together a package for Cabala's. The CRPs will take that contract and we will add 4.1% which would be part of this budget so we wouldn't treat them any different, it would actually supplement this budget. We may not have to spend as much state money, is that wrong?

Ms. Bates, I think it is for the purpose of this until this RFQ is complete. That would be kept separate, that is not a state use function that is an association function. I think that is great and if it were me, I would develop my budget Aaron and I would show that percentage coming in and it doesn't have to be 4.1% because it is not about state use. You could use 5%; you could do 10% or whatever percentage you choose. But the 4.1% is only for state government. I think developing that is a great idea because the only revenue that the association had in the past was dues. If you develop a budget for the association and you use this type of percentage and add it on then you can show where your staff time is being spent on the association side. You see what I am saying? The way the RFP is written that is the best appropriate way to do that.

Mr. Monterosso, I agree, thank you.

Mr. Greene, that is good for Aaron as he will be able to hold the line on that. That is a good point Brenda and I really appreciate it. That reminds us all that the 4.1% is derived from state agencies to continue to invest in development then whatever WVARF and CRPs want to do outside in Commercial business, if the system would allow you could charge 8.1% or whatever. The 4.1% is the model for state government.

Mr. Greene, the thing for you Miss Carol is that Aaron owes us an email of \$52,000.

Ms. Bates, just so you guys will know the Randolph Sheppard Program vendors are doing lemonade at the Cultural Center and the Division is also serving the cake. So, all of you come and see us on Thursday, Friday and Saturday at the State Capitol. Activities as well as free cake and lemonade during the celebration of West Virginia's 150th Birthday.

CONTRACT PRESENTATIONS:

Mr. Jackson, the first two contracts that we will go over is the Camp Dawson, one for the Hotel and the other one is for the Fitness Center.

- 1) The Camp Dawson Hotel during the last Governor's Committee meeting we had approved to do the hotel. That was also with Preston County Sheltered Workshop and the immediate supervisor over that at Camp Dawson. Once it went up the channels they said, "hey we want to condense that to one contract." Essentially, the hotel Camp Dawson is what that is. That is combined and renewed and it was up for renewal anyway. I did exactly what they wanted.
- 2) The Camp Dawson Fitness Center, Gary and I had just done this one earlier this year and it was up for renewal as of July 1st.
- 3) The last one you have on your emails was General Services, Logan Building #55 in Logan County. It is a brand new building where DHHR is going in, DRS and Workforce West Virginia. We worked with Jim Hawley because it is a state owned building and he was in agreement with what we came up with and the Sheltered Workshop was good with those numbers also. That was for \$5,419.30 monthly. That is through December 31st calendar year.

- 4) The one I passed out prior to the meeting was the ABCA Warehouse, Nitro Industrial Park. Where we are going to different spots to do major assessments the ABCA Warehouse at their request wanted us to come in and do their assessment. We checked it out and it was off a little as far as the square footage but it was completely redone. I worked with Belinda Burdette and Ed Hart and I also worked with Goodwill. We fill more comfortable with what we came up with on that contract. On the front of the contract with the service agreement if you will make note, I put in it (with a p-card), so there is an additional charge if there is a p-card and the customer can know that so they can choose whatever method they want to pay. Therefore, I put on the Service Agreement with the contract. Both parties were in agreement.

The last one and you guys don't have a copy of it as I have not finished it as yet.

Mr. Monterosso, it is unconventional. It is not unconventional, we just don't know and Jan will chime in here as it is Jan's contract. Mark struggled with this and I struggled with it.

Mr. Greene, let's keep it simple.

Mr. Sullivan, **I approve** and I have a question. Are we going to give these people travel pay from the Preston County Workshop to the place where they need to go?

Mr. Jackson, John Hyre from Preston County Workshop told me that they are good with it. I don't know if they have their own vehicle that they take, I believe they do have their own company vehicle.

Mr. Sullivan, I'm glad to hear that.

Mr. Greene, there is something built in.

Mr. Jackson, just for informational purposes we are getting between \$150,000 and \$200,000 worth of contracts with Camp Dawson increased, so that was from our last meeting.

MOTION #4

Mr. Sullivan made a motion to approve the contracts. Ms. Smith seconded. Motion passed.

Mr. Greene, we have two for Camp Dawson, one for General Services, Logan Building and one for ABCA, 4 contracts and this will be the 5th.

Mr. Jackson, I am going to speak for you Jan then you can add whatever you want. Jan went into negotiations with Fairmont University because they wanted her to clean the Turley Center. Essentially what they did, they took the total amount of the contract and divided it by the number of employees they had working the contract already and used the exact ratio. The total was \$1,135,179.00. Divided out that equals to be like \$27,687.31 per employee. Based off the square footage she knows they are going to need three (3) people to work there and the total ended up being \$83,000. Jan had gone to the lady at Fairmont and said, "hey, we will clean this building for \$60,000 and they said no, we like what you do, your level of service and we want to keep it at \$83,000 and we are happy with that." Your scope of work is excellent and that is playing into the – what level of cleaning are we doing and how are we going to do the contracts in the future. Basically, the CRP is good with it obviously and Fairmont University is good with it.

Mr. Greene, say that again.

Mr. Jackson, they took the total amount of the contract for the labor and divided it by the number of people that they had working.

Mr. Monterosso, it is in essence a change order. Currently Jan has a contract and it is a 10 year contract with Fairmont University and they said we want you to add this building, the Turley Building to your contract. Now the back story to all this is Jan was subject to what some of the CRPs were subject to in particular areas of Johnny the maintenance guy with Fairmont (just making this part up, but the events are true, just the names have been changed to protect the innocent) saying, hey, Fred didn't show up at 6:00 and Johnny didn't show up period and this is a performance contract. The building is clean, I have no problem with the building, and he didn't show up at 6:00. Went to the Vice President of Fairmont saying hey, are you dissatisfied with us, are we not cleaning this building? He said this is 100% performance based; we are paying you based on the cleanliness of this building. So it kind of did away with your conventional contract as far as the scope-of-work, it leveled services. How they came up with this is, your current contract says \$1.3M you have x amount of staff that equates to this per head. You need three (3) people there, same level of service it comes up to \$83,000. That is going to be the contract. We just need to understand how you want us, what form you want it in to be able to approve it.

Ms. Smith, all that has happened in the last three years, there has been a letter that was exchanged and the fair market price (FMP) that was exchanged between Fairmont and they don't want all that other stuff, their idea either four or five years ago that – this is what we are going to pay and you are going to keep our building clean. Part of the reason is, it is more than eight hours a day; we are going to clean one building, one time a day. We pretty much provide service 24/7, if there is an event we are there. We cover weekends, and we cover nights. The only thing we don't do related to cleaning at Fairmont University, they have 12 janitors left under their pay and they use them to be in the buildings, if there is a spill, if a bathroom needs cleaned up, but it is personnel only, no equipment or supplies. All supplies are provided by Fairmont University.

Mr. Greene, so are we saying these three employees, if someone were to ask each of them what is their annual salary, we are saying they would come back and say on a W2 Form they are making \$27,687.

Ms. Smith, no they would not.

Mr. Greene, so what are we really saying?

Ms. Smith, they have this contract and it includes my services and weekend services, this was just a way they came up with a figure. We sat down together; I was with two of the Vice President's, and a Business Manager for Fairmont and myself. I had said we will clean this building for \$60,000 - that is what I told them. Their Vice President said, "But you would get this amount on the other building, well I want this one kept at the highest level, so we are going to pay you \$83,000." What that means is we won't just be in there; say the regular shift is from 10:00 at night until 6:00 in the morning, I will have someone in there during the afternoon shift too to keep at the highest level because of their high usage. I run two shifts a day in those buildings. It is a completely different contract and we are happy and they are happy.

Mr. Greene, I don't really care about that. That is entertaining but that is not what drives the ship is that you like it and they like it. I think that is entertaining but we need to make sure, I don't know, I think Dave Tincher is going to have to make sure that from a contractual standpoint this is what it is supposed to be and that he is ok with it.

Ms. Smith, Higher Education is in their own little world.

Mr. Greene, let's not try to tell me where the lanes of traffic are. I think I'm pretty well versed on where the lanes of traffic are at so step back from that for a second. Your question to us is to tell you what format to put it in and my answer back to you is we are going to talk to Dave Tincher and he and his Lawyer will decide what format to put it in. He will tell you how it needs to be presented to the Committee. Because I really don't know, it looks different and I guess because it is different, that doesn't make it right or wrong, just makes it different. We just want to make sure that we are doing it right. Do you see any concerns Everette?

Mr. Sullivan, if they are offering them \$83,000 to pay three employees, the money they are willing to pay the individuals ought to be considered. If he is going to do all this special cleaning then he ought to get special pay for it.

Mr. Jackson, to give you an idea, one of the ways we are looking at things. I think in the past, I am going to get off the subject a little but you will see what I am talking about. When we charge a customer per day the approved method in the past was to take the monthly charge multiplied by 12 and divide by 365 and then you add the whole total number of days. And what that does it takes the whole time period and it will factor in weekends and factor in holidays, etc. And it really works good. I think what Jan is doing is something similar to that, it is not necessarily she is going to have three employees there, she might have four employees there but they are dividing it out by the head just like the other example of dividing it out by the total number of days. I will work with Jan and bring something back to the Committee with what you suggest.

Ms. Smith, I think I have to say something here. I have fought for years with Fairmont State University that going through WVARF was the correct thing to do because they look at the 4.1% and say what is that getting us. If this becomes an issue I think they will probably just take the contract away and I'll have to bid with other people. I am not just saying that because if you talk to Rick Cordow who is the Vice President of Finance, he is going to tell you that I have time and time again, we need to do this through WVARF and through State Use. I think this is going to be a big problem, I am just very concerned, I really am. And I really don't understand because this is the biggest single contract in the state and it has been well run for many years.

Mr. Greene, Purchasing for Action, Miss Carol put at the beginning for our next meeting. That is a good perspective that I get from you that it may not be three people, it may be ten people. We just need to make sure that Dave Tincher, Mike Sheets and Jimmy Meadows to make sure those guys are ok with it and you all work together collaborative to come up with the right verbiage so that it is legal and that we are ok. Jan, I get your point and I get what you are saying. Don't walk away from it thinking that we are trying to cancel this contract or do away with it. I realize there are people behind it, I truly do, but I think we have to make sure that we are above board as we present it so everybody knows so that we not only protect the people who do not realize that may be an issue, the actual workers that come in and do a great job but also just so that Purchasing is ok with it so that we can vote on it as a Committee. If you all accomplish that by Friday, I am fine with it, send it to me and we will send out to Everette and everybody that needs to vote and it will work out as it is supposed to work out. So if it is done by Friday, send it, if it is not done by Friday, send it on Monday, or it can wait until next month.

We just need to make sure that the lawyers and Dave Tincher is ok with it and then present it to me on email prior to the next meeting and we will get it out to everybody and let everyone buy in whether or not they have a concern about it.

Mr. Sullivan, I think if Jan was available, she ought to talk to Dave Tincher too.

Mr. Arrick, I want to talk to Dave Tincher and Mike Sheets.

Mr. Jackson, I didn't think we would get it approved today but I wanted to bring it before you because she wants the start date July 1st.

Mr. Greene, we appreciate you bringing that to us. I am accessible, I'm at work every day and I'm there to help us get to where we need to get to.

Mr. Sullivan, you know Cedric, Jan is a very capable person, she has probably done her homework and maybe she knows that she is right.

Mr. Greene, we want to be above reproach. Someone may ask a silly question but we can say we did that because of xyz.

OLD BUSINESS:

We have covered all old business.

NEW BUSINESS:

Mr. Sullivan, I would like to compliment the percentage of handicap people that is recorded in this activity report. That is a good job.

Mr. Greene, I agree with you Everette. And, I'm glad everybody is in compliance.

Mr. Greene, Bill I want to acknowledge your financial guy Mr. Jones and your contracting guy Mr. Jackson. I think you have made good hires and I think they are engaging and coherent and they get it and I think it is a reflection of the process which you went through to get them so we appreciate that. What we have now we look forward to you guys getting back to us with information that we requested.

Ms. Carol will put at the beginning of our minutes those two items that we will be looking for at our next meeting because that keeps us on track. If we stick that at the front of the minutes we have no choice but to deal with it and that is what we want to do.

Mr. Greene, the young lady Shana, we certainly welcome her to your team and I see great things are going to happen. We will look forward to Cyndi coming back at the end of the summer and let her know that we asked about her and we hope things are going well for her and her family.

MOTION #5

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

PUBLIC COMMENT:

None

COMMITTEE MEETING DATES FOR 2013

July 17, 2013
August 21, 2013
September 18, 2013
October 16, 2013
November 20, 2013
December 18, 2013