

Deep East Texas Local Workforce Development Board

**Executive Meeting**

December 13, 2011; 1:30 PM  
539 South Chestnut, Suite 300  
Lufkin, Texas

**MINUTES**

**Members Present:**

Garvey Jackson, Chair  
Ellen Mills  
David Hailey  
Sue Wood  
Charles Rushing  
Jerry Whitaker

**Staff Present:**

Rita Fancher, Recording Secretary  
Marilyn Hartsook  
Charlene Meadows  
Darla Johnson

**Guests:**

Renee Barry, CPA  
Ed Taylor, Ed Taylor & Associates

**Members Absent:**

Tyane Dietz  
Wayne Haglund

**Call To Order**

Garvey Jackson, Chair, called the meeting to order at 1:40 p.m. A quorum was verified. Everyone was reminded of the Conflict of Interest policy.

**Discussion/Action**

Action Item: Approval of Executive Committee Minutes of November 8, 2011

David Hailey made a motion to approve the minutes of November 8, 2011. Ellen Mills seconded. Motion carried.

**Public Comments**

None

**Information Items**

**Bylaws Review Process**

Garvey Jackson stated the Bylaws have not been reviewed in several years. He said he would assign a committee to review them and make any recommendations. He said any recommendations need to be submitted by the February Board meeting.

**Discussion/Possible Action**

Consideration of the Response from Neighborhood Centers, Inc., to the August 11, 2011  
Financial Monitoring report by Ed Taylor & Associates

Garvey Jackson reiterated the items of interest that resulted from the Financial Monitoring report for NCI, reviewed by Ed Taylor & Associates. The areas of concern were the Management Fee of \$430,000 which was put in the indirect cost pool resulting in the management fee essentially being profit and NCI is a nonprofit organization. He stated this situation has been reclassified, therefore, making it nonprofit. Garvey reported the other item of concern was the unfunded pension liability of \$470,000 which was expensed to the Indirect cost pool and not paid within the required six months after the end of the year. Garvey commented this item has been corrected and properly funded in accordance with the letter NCI received from the US Dept of Health and Human Services. Garvey said the Board pays 27% of the costs for operations. A series of specific questions regarding these issues were asked by the Board members with responses from Ed Taylor, the Boards' monitor, and Rene Solis of NCI. Ed Taylor discussed at length the findings and results of the monitoring report for NCI. Rene Solis, NCI, gave a lengthy report explaining the indirect and direct cost pools. Garvey suggested exploring the possibility of changing from an indirect cost reimbursement to possibly a direct cost reimbursement. Garvey recommended canceling the Request for Proposals for Procurement of Child Care Services Operator. He asked the members if they are in agreement to continue the contract with NCI for 2011-2012 based upon the outstanding issues being resolved. After substantial discussion regarding Contracting with NCI for Child Care Services, the consensus of the committee was the following:

- Sue Wood made a motion to continue the contract with NCI for 2011-2012 with retainage of 18% profit and issues being resolved by the February Board Meeting. Ellen Mills seconded. Motion carried.
- Sue Wood made a motion to withdraw the Request for Proposals #11-298 Procurement of Child Care. Charles Rushing seconded. Motion carried

Any time-sensitive item(s) brought for action by the Executive Committee due to another committee's inability to meet and take action

None

After no further business, the meeting was adjourned at 2:35 p.m.

Transcribed by:

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Rita Fancher, Recording Secretary

Date: December 22, 2011

Approved by:

\_\_\_\_\_  
Garvey Jackson, Chair

Date: \_\_\_\_\_