

## Workforce Innovations, Inc. Board of Directors Meeting

November 6, 2024 – 12:15 p.m.

Milan Chamber of Commerce, 1069 S. Main St., Milan, TN / Zoom

### Minutes

**Board Members Attending:** Jimmy Williamson, Ted Piazza; **via Zoom:** Gem Bell

**Staff Members Attending in person:** Jennifer Bane, LeAnn Lundberg, Ariel McGahey, Laura Speer; **via Zoom:** Ginger Powell, Gina Johnson

**Guests Attending in person:** Brad Hurley, Ben Marks

**Welcome / Call to Order:** Jimmy Williamson welcomed everyone and confirmed that a quorum was present.

**Review and Approval of Minutes:** Minutes for the 11/28/2023 meeting were reviewed.

- **MOTION: Ted Piazza moved to approve the 11-28-2023 board meeting minutes as presented, and Gem Bell seconded the motion. All were in favor and the motion carried.**

**Review and Approval of WFI Bylaws Change:** Jennifer Bane reviewed the proposed changes to the bylaws in the duties section. Previously it was stated that the Deputy Director would fulfill certain duties but now that the Career Service provider contract for Southwest is in-house, staff recommend adding Director of Program Services. Details about what constitutes a quorum for business meetings were also added.

- **MOTION: Ted Piazza moved to approve the changes to the bylaws as presented, and Gem Bell seconded the motion. All were in favor and the motion carried.**

**Financial Mangement Policy Manual Change:** Jennifer Bane presented the proposed updates to the Financial Management Policy Manual as highlighted on the handouts included in the meeting packet. Most updates are surrounding ACH payments. We have not previously allowed ACH payments, but the pay card provider we use for the SW Title I participants requires payments be made this way. We also have a special grant for Blue Oval City and Ford has requested that payments be issued via ACH payment. The proposed changes include:

1. Updates to the segregation of duties chart for updated duties and adding of ACH Payments.
2. Adding language to the bank accounts section to clarify two signatures / approvals are also required for ACH payments.
3. Updates to the purchasing procedures and employee payroll section, particularly for processing notices of garnishments.
4. Updating language in the contracts and agreements section to clarify the Executive Director can allow for contracts to be signed after the agreed upon date, such as those received from the State after the contract has started.
5. The payment of invoices section has been updated to reflect new procedures for ACH payments. Jennifer explained that staff have researched potential partners for processing ACH payments and narrowed it down to two providers, Melio (a partner of QuickBooks) or our bank. Melio costs about \$30 a month and the first 20 payments are free each month, with any additional payments incurring a \$0.50 fee. Security Bank charges \$50 a month for unlimited ACH payments. Staff want to ensure there are adequate checks and balances for ACH payments and would like to limit the ability for a single staff person to both create and approve payments. The group agreed that the bank would be the preferred choice to ensure segregation of duties and to allow additional checks and balances.

Jennifer asked the board if they would like to set a limit for ACH payments as a safeguard, and the board of directors agreed to set a \$10,000 limit with the bank. If a larger payment needs to be made, the Executive Director can contact the ACH provider to let them know that a temporary increase is needed. Temporary increases in the limit for ACH payments will not require board approval but will be at the discretion of the Executive Director. The board of directors decided to move forward with Security Bank as the ACH provider and agreed that ACH payments will be limited to only those specifically required or requested.

In addition to the changes presented in the handouts, Jennifer asked for guidance from the Board regarding the definition of a contract / agreement. Service agreements with utility / communication providers seem to have language that our policy prohibits in contracts / agreements, such as the governing state not being Tennessee, and Jennifer felt it

would be unlikely for providers to be willing to change their standard agreements for us. It does not seem that the policy was intended to apply to such agreements, but it is not completely clear. The group agreed that there are differences between such service agreements but, if possible, they should also agree with the policy. Jennifer will add language to clarify this in the policy manual.

- **MOTION: Ted Piazza moved to approve the changes to the Financial Management Policy Manual as presented and with the additions discussed, and Gem Bell seconded the motion. All were in favor and the motion carried.**

**Organization Updates:** Jennifer Bane provided the following updates:

- **2024 Audit Update:** We have not received the financial statements yet. The on-site audit was pushed back a little this year to allow for more time to process year end journal entries. The auditors had not expressed any questions or concerns after the on-site visit so staff expect another good report.
- **Southwest Career Service Provider (CSP) Update- Employer of Record Contract:** The partnership with Personnel Placements (PPL) as the employer of record for work experience participants is going well and taken a large load off staff. There has been a bit of a slow start due to the TN Youth Employment Program, but Title I Youth participants have been transitioned to PPL and any new work experience participants will be hired under PPL. The Senior Community Service Employment Program (SCSEP) participants will likely remain on WFI payroll due to budget limitations.
- **Updates on Insurance Policies:** Jennifer provided updates on the following insurance policies.
  - **Directors & Officer Liability:** Staff are in the process of changing to Hartford as the insurer due to a lower bid and adding Employment Practices Liability coverage.
  - **Business Owners Coverage:** Cyber Liability and Data Breach Coverage - \$100,000 Limit has been added to the policy. Staff are hoping to increase the coverage, but due to a staff person's email being accessed previously, additional coverage could not be obtained. The policy also includes Liability & Medical Expenses coverage of \$1,000,000 (Per Person - \$10,000) and Contents Coverage of \$450,552 instead of the prior amount of \$346,200.
  - **Workers Compensation:** When the CSP contract came in-house and WFI took on work experience participants as employees, it caused our workers' compensation coverage to jump to \$14,115 per year (previously \$796 / year). The insurance provider redesignated staff from general office workers to social services providers which is billed at a much higher rate. Staff asked for a reassessment of this, and board staff have been placed back at the previous designation, but CSP staff must remain at the higher rate. Once most interns are no longer on our payroll, we hope to be able to return to a regular insurance provider instead of the pool.
  - **Errors & Omissions:** All insurance providers staff reached out to declined to issue a quote and our insurance agent indicated they did not understand why we needed coverage. The group expressed many other boards have coverage and it is needed for this board as well. Jimmy recommended reaching out to Bradshaw to request a quote as they provide coverage for another board he serves on. Staff will work on this.

**Other Business:** LeAnn Lundberg is planning to retire at the end of next summer, so staff are looking at releasing an RFP in the spring for managed IT services beginning in summer to allow for a transition period before LeAnn retires. This board would likely review RFP submissions and decide on the provider since services will be for both NW and SW.

Jennifer also shared that the State has provided a response to the grievance complaint filed by Mr. Reggie Carrick with All Star Training Academy for unjust denial of services. The review committee found the allegations to be unsubstantiated. An appeal by a hearing officer was offered and Mr. Carrick elected to appeal. A hearing will be scheduled and both parties will have the opportunity to present evidence and conduct cross examinations. The option for legal counsel to participate was offered, and both Board Chairs were in agreement with utilizing legal counsel, and the group agreed. If the costs of legal representation are going to exceed \$10,000, then we will have to seek quotes to make a competitive selection. It is not expected to be needed based on the appeal hearing, but may be needed eventually if there is a continued need for legal representation. Jimmy noted that we will also need to notify insurance for cost coverage if the appeal continues into other legal action. Jennifer will work on seeking quotes in the event they are needed.

**Respectfully Submitted,**  
**Ariel McGahey, Director of Operations**