

## Finance Committee Meeting

CareerSource Central Florida Office  
390 N Orange Ave., Suite 700  
Orlando, FL 32801  
Tuesday, November 3, 2015  
2:30 p.m.

### MINUTES

**MEMBERS PRESENT:** Melanie Cornell, Nicole Guillet, Joseph Sarnovsky, Chuck Todd and Mark Wylie

**MEMBERS ABSENT:** William Merck

**STAFF PRESENT:** Leo Alvarez, Mimi Coenen, Christine Jolliff and Kaz Kasal

**GUESTS PRESENT:** Jason Chepenik, Jeff Roberts / Chepenik Financial

Agenda Item	Topic	Action Item / Follow Up Item
1	<b>Welcome</b> Dr. Sarnovsky called the meeting to order at 2:40 pm and welcomed those in attendance.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal reported that there was a quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> A. 9/9/15 Joint Meeting of the Audit and Finance Committees	<b>Mr. Wylie made a motion to approve the minutes from the 9/9/15 Joint Meeting of the Audit and Finance Committees. Mr. Todd seconded; motion passed.</b>
5	<b>Information/Discussion/Action Items</b>	
6	A. <u>Fiscal Year 15-16 – 1<sup>st</sup> Quarter Financial Results</u> Mr. Alvarez referenced the report entitled “FY 2015-2016 Budget vs. Actual Report – as of 9/30/15” and reviewed the report per line item. Expenditures are slightly under; however, as program activities increase during the 2 <sup>nd</sup> quarter, expenditures will overall be on track/in line.  B. <u>2014 403b Audit Results</u> Mr. Alvarez reviewed the report produced by independent auditor Cherry Bekaert entitled	

	<p>“CareerSource Central Florida 403(b) Plan – Financial Statements and Supplemental Schedules as of 12/31/14 &amp; 2013 and for the Year Ended 12/31/14.” Mr. Alvarez stated from 2013 to 2014 participation in the plan has increased and assets have grown. Overall, it is a clean report but no opinion has been issued. This is primarily due AXA assets of former employees still in plan and issues getting information from AXA. Mr. Chepenik is assisting to move these AXA assets by contacting former employees to have them rollover or withdraw funds from plan. Once this is completed, an opinion should be issued. Mr. Alvarez also stated that participant loans are on the decline.</p> <p>C. <u>Chepenik Financial – Retirement Plan Update</u> Mr. Chepenik greeted the Committee and introduced Mr. Jeff Roberts, Clients Support Coordinator, who compiled the information being reviewed today. Mr. Chepenik provided a Powerpoint presentation reviewing the following: <u>Administrative Update as of 6/30/15:</u> 66% participation rate, which is up 12% from last year. Total asset percentage by age range was also reviewed. <u>Qualified Default Investment Alternative Selection:</u> A comparative analysis was done between American Century One Choice A and T. Rowe Price Retirement R. (which is what is currently in the plan). Based on the analysis, Mr. Chepenik stated that American Century One Choice A provides “more bang for buck” as well as reduced volatility compared to T. Rowe Price Retirement R. Mr. Chepenik stressed the importance to also focus when the market goes down - referring to 3-year and 5-year Up/Down Capture Summary, when the market is up T. Rowe Price Retirement R, which is one of the most aggressive target date players, does good; however, when the market goes down T. Rowe Price does not do well, with American Century performing better. Referring to “Glide Path Structure – Equity to Fixed Income” – the percent equity at target date with American Century One Choice A remains at 45% 30 years after retirement and with T. Rowe Price it drops to 20% 30 years after retirement.</p> <p><u>Core Fund Lineup Selection</u></p>	<p>Mr. Wylie made a motion to recommend plan changes going forward for Board consideration. Ms. Cornell seconded; motion passed.</p>
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	Investment line-up and quarter analysis were reviewed.	
7	<b>Other Business</b> Mr. Alvarez stated that CSCF has encountered some issues with its health insurance broker, Willis. During the renewal of the health insurance policy with Cigna, the broker indicated to staff that 99.5% of the doctors would be covered under the new plan; however, this was not the case. Due to the lack of responsiveness from Willis, staff had to resolve the issue directly with the carrier. The lack of performance coupled with the turnover of staff initially assigned to work on CSCF's account, staff recommends evaluating new options through a request for quotes/qualifications. Dr. Sarnovsky recommended that the current contract with Willis be reviewed to ensure there are no potential liabilities for not continuing to contract. Dr. Sarnovsky also requests that a formal notification be sent to Willis prior to the release of a new solicitation.	
7	<b>Adjournment</b> There being no other business, the Finance Committee meeting was adjourned at 3:58 p.m.	

Respectfully submitted,

Kaz Kasal  
Executive Coordinator